

Commodity Futures Trading Commission
CEA CASES

NAME: ROY D. SIMMONS

CITATION: 33 Agric. Dec. 896

DOCKET NUMBER: 219

DATE: JULY 3, 1974

DOCUMENT TYPE: DECISION AND ORDER

(No. 15,920)

In re ROY D. SIMMONS. CEA Docket No. 219. Decided July 3, 1974.

Exceeding speculative trading limits -- Filing false and misleading reports -
- Sanction

The stipulation of respondent has been accepted, and the order herein is issued accordingly against him for violating the Act in exceeding the speculative trading limits permitted under the Act and in the filing of false and misleading reports of transactions executed by him and the position held by him. Respondent shall cease and desist from such violations. And respondent is suspended as a registrant under the Act for a period of six (6) months and is prohibited from trading in commodities on or subject to the rules of any contract market for a period of six [6] months, as stated in the order herein.

Herbert R. Bader, for complainant.

Arthur A. Reiser, Jr., Chicago. Ill., for respondent.

Decision by John A. Campbell, Administrative Law Judge.

DECISION AND ORDER

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act, "the Act" (7 U.S.C. § 1 *et seq.*), instituted by a Complaint and Notice of Hearing, alleging that the respondent, Roy D. Simmons, is now and was at all times material a registered floor broker under the Act and a member of the Chicago Mercantile Exchange, a duly designated contract market under the Act. The complaint charges that the respondent violated both the speculative daily trading limit, as fixed by the Commodity Exchange Commission, and the reporting requirements of the Commodity Exchange Act. Such acts were alleged to have been wilful and in violation of sections 4a, 4i and 6(b) of the Act (7 U.S.C. §§ 6a, 6i, and 9) and sections 150.5, 15.01, 15.03, 18.00, 18.01, and 18.03 (7 CFR 150.5, 15.01, 15.02, 15.03, 18.00, 18.01. and 18.03).

Prior to Hearing the respondent agreed to a stipulation under section 0.4(b) of the Rules of Practice (17 CFR 0.4(b)) in which he (1) admits the facts hereunder as set forth in paragraphs 1 through 5 of the Findings of Fact, (2) waives oral hearing on the charges in the complaint and consents to the entry, without further proceedings, of a Decision and Order containing the facts admitted in such stipulation as the findings of fact, conclusions of law based on such findings and the order contained herein.

FINDINGS OF FACT

1. Roy D. Simmons is now, and was at all times material, a registered floor broker under the Commodity Exchange Act and a member of the Chicago Mercantile Exchange.

2. The Chicago Mercantile Exchange is now, and was at all times material, a duly designated contract market under the Commodity Exchange Act.

3. On December 5, 1969, Mr. Simmons held open contracts in shell egg futures on the Chicago Mercantile Exchange in excess of 25 carlots in a single future.

4. Roy D. Simmons submitted reports to the Commodity Exchange Authority which purported to show all transactions executed for him and his position in shell egg futures on the Chicago Mercantile Exchange on December 5, 1969, but such reports did not show the actual transactions executed for him or the true position held by him.

5. On December 5, 1969, Mr. Simmons made speculative sales of 187 carlots in shell egg futures on or subject to the rules of the Chicago Mercantile Exchange.

CONCLUSIONS

By reason of the facts set forth above, Roy D. Simmons violated section 4a of the Commodity Exchange Act (7 U.S.C. 6a) and the order of the Commodity Exchange Commission, establishing limits on the daily trading in shell eggs for future delivery (17 CFR 150.5) and Mr. Simmons submitted a false report to the Commodity Exchange Authority in violation of sections 4i and 6(b) of the Commodity Exchange Act (7 U.S.C. §§ 6i and 9) and sections 15.01, 15.02, 15.03, 18.00, 18.01, and 18.03 (17 CFR §§ 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03) of the rules and regulations thereunder.

The complainant states that Administrative Officials of the Commodity Exchange Authority have carefully considered the stipulation submitted by the respondent. The Administrative Officials believe that the prompt entry of the proposed order would constitute a satisfactory disposition of this case, serve the public interest and effectuate the purposes of the Act. The complainant recommends, therefore, that the stipulation be accepted and the proposed order be issued.

ORDER

Effective upon the date of service of this order, the respondent, Roy D. Simmons, shall cease and desist from exceeding the speculative trading or position limits fixed by the Orders of the Commodity Exchange Commission. Further, the respondent, Roy D. Simmons, shall cease and desist from wilfully making any false or misleading statements of a material fact in any report filed with the Secretary of Agriculture under the Commodity Exchange Act.

Effective upon the thirtieth day after the date of entry of this order, (1) the registration of the respondent as floor broker under the Commodity Exchange Act is suspended for a period of six (6) months, and (2) the respondent is prohibited from trading in commodities on or subject to the rules of any contract market for a period of six (6) months, and all contract markets shall refuse all trading privileges to the respondent during this period. Such prohibition and refusal shall apply to all such trading done and

positions held directly by the respondent, either for his own account or as the agent or representative of any other person or firm, and also to all such trading done through, and to all positions held indirectly by, persons or firms owned wholly or in substantial amount by said respondent, or in any way subject to his discretion or control, wholly or substantially.

A copy of this Decision and Order shall be served on the respondent and on each contract market.

LOAD-DATE: June 16, 2008

