

Commodity Futures Trading Commission
CEA CASES

NAME: HARRY STURM

DOCKET NUMBER: 182

DATE: SEPTEMBER 2, 1971

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Harry Sturm, Respondent

CEA Docket No. 182

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent, Harry Sturm, has violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent is an individual whose address is 730 First Street, Miami Beach, Florida.

II

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

III

On the dates listed below, the respondent held or controlled speculative positions in the May 1968 potato future on the New York Mercantile Exchange which were in excess of the maximum permissible limits established by the order of the Commodity Exchange Commission (17 CFR 150.10) as follows:

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Date	Position (No. of Carlots)	
	Long	Short
April 18, 1968		165
April 19, 1968		174
May 1, 1968	170	

By reason thereof, the respondent wilfully violated section 4a(2) of the Commodity Exchange Act and the order of the Commodity Exchange Commission establishing limits on position and daily trading in potatoes for future delivery (7 U.S.C. 6a(2); 17 CFR 150.10).

IV

During the periods from February 14, 1968, through March 15, 1968, and March 25, 1968, through May 15, 1968, the respondent made trades in potato futures on the New York Mercantile Exchange in accounts carried in the names of Harry Sturm and Anne Sturm. All transactions in such accounts during such period belonged to or were controlled by the respondent.

V

On each day during the periods February 14, 1968, through March 15, 1968, and March 25, 1968, through May 15, 1968, the respondent held or controlled a long

position or a short position, or both, in the May 1968 potato future on the New York Mercantile Exchange each of which positions exceeded 25 carlots. The respondent was, therefore, in reporting status during such periods and was required to report

to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held or controlled by him, in all potato futures on all contract markets during the said periods, and with respect to all transactions by reason of which the respondent's position was reduced below reporting levels, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the rules and regulations thereunder (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01, 18.03).

VI

The respondent filed reports with the Commodity Exchange Authority which showed transactions and positions in potato futures in accounts carried in his name, on various dates during the periods February 14, 1968, through March 15, 1968, and March 25, 1968, through May 16, 1968, but the respondent failed to include in such reports the transactions and positions in the account carried in the name of Anne Sturm which belonged to or were controlled by the respondent. Nor did the respondent report to the Commodity Exchange Authority with respect to the transactions that were executed in potato futures for the accounts owned or controlled by him on six other days during the periods specified above, namely February 27; April 18, 22 and 26; and May 1 and 6, 1968. By reason thereof, the respondent wilfully violated the sections of the Commodity Exchange Act and the regulations cited in paragraph V above.

VII

On numerous occasions dating as far back as 1953 and continuing up to April, 1967, officials of the Commodity Exchange Authority not only informed the respondent of his responsibilities under the Commodity Exchange Act and regulations with respect to speculative trading and position limits and reporting requirements, but also found it necessary to communicate with the respondent in writing directing attention to his failure to observe such limits and file the required reports.

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, 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 of 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 hearing is waived, a hearing will be held at 10:00 a.m., local time, on October 21, 1971, in Miami, Florida, at a place therein to be specified later, before a referee 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) 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 (2) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

Sept 2, 1971

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

