



Spring 1999

*Newsletter of the
Commodity Floor Brokers and Traders Association*

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Cast an Informed Vote!

Elections are upcoming for the boards of COMEX and NYMEX. We urge all of members to not only vote, but to vote for the candidate best suited to meet the industry's needs in the future. We face challenges from electronic trading, foreign exchanges and increasing government oversight. Our problems are complex and required dedicated, knowledgeable individuals to handle them. So, before casting your vote, talk to the candidates, find out their stand on issues, and their involvement in the industry. Make sure your representatives can carry this industry into the next century.

Board elections are scheduled on COMEX and NYMEX on March 9 and 16, respectively. Candidates for those exchanges are listed below. Members of CFBTA are noted with an (*) asterisk next to their name. In addition, members of CFBTA who are candidates were given the opportunity to address our members in this edition of Opening Call. Their statements follow.

Candidates Posted for Exchange Board Elections

COMEX elections Tuesday, Mar. 9		
Chairman	Trade	At-Large
* John Moore (MOR)	Mark Tolette (SKI)	* Raymond Chung (CHUN) Mark Tolette (SKI)

NYMEX elections Tuesday, Mar.16		
Chairman	Floor Broker	Floor Broker (one-year term)
* Daniel Rappaport (RAP)	* Thomas Courtney, Jr. (TFC) * Steven J. Karvellas (KVL)	* Richard Saitta (SAIT)
Local	Futures Commission Merchant	Trade
* Kenneth Carter (KNY) * Kevin McDonnell (KMAC)	* Richard M. Schaeffer (SHAF) * Michael G. Wamp (WAMP)	* A. George Gero (ANT) Jay Miller (MILL)
At Large		
* Robert J. Coakley (SWIM) * Thomas Cunningham (TAC)		

Note: Candidates' in red letters have win.

[Click here to read the Candidates' Statements](#)

February Directors Meeting...

In a standing room only meeting on February 1, CFBTA officers were re-elected for another term. Leaders for 1999 are: A. George Gero, Chairman; Robert DeMartino, Vice Chairman; John Hanemann, President; Henry Terranova, Vice President; Pat O'Shea, Secretary; Joe Salvatore, Treasurer; and, Larry Bilello, Vice President.

Directors were named, with a few changes made due to re-locations. Directors for 1999 are: COMEX -- Michael Devaney, John Moore, Eric Plateis, Robert Penzaro, Charles Rasher, Michael Tobey, Mike Wagner, Bruce Zins; COMEX options -- John Conheeny Jr. , Mike Hammer; COTTON -- Marc Brenner, Ken Farco, Stanley Meierfeld; CSCE -- Sebastian Angelico, Mike Belmont, Ed Bollard, Conlin Bradley, David Klein, Fred Mascia, Tom McCloskey; NYFE/Dollar Index -- Anthony Dowd, Walter Fair, Norman Eisler; NYMEX - - Madeline Boyd, Rich Buccellato, David Greenberg, Jeff Grossman, Z. Lou Guttman, David Wender; Associate Member Reps. -- Thomas LoBue, John Sakulich, Don Tierney; Public Directors -- Sam Abernethy, Esq.; Alan Berk, CPA; Melvin Falis, Esq.; and, James Gargan, Esq.

CFBTA would like to welcome new directors -- David Greenberg and David Wender (NYMEX); Stanley Meierfeld (COTTON); John Conheeny Jr. (COMEX Options); and Robert Penzera (COMEX) -- aboard CFBTA. We are thankful to have such talented and knowledgeable individuals willing to dedicate time to our efforts. On the same note, we would like to thank the directors who have left us due to re-locations, etc. -- Harvey

Wachman (Atlanta) and Kevin Casey (Chattanooga.) Without volunteers such as these our organization would not have the impact we do, especially in Washington,.

Again, thank you all.

Virtual commodity trading...

Virtual commodity trading is virtually around the corner. During a presentation at the annual CFBTA meeting, Rich Jacobs, formerly with FINEX, and Peter Kollock, a professor at UCLA, presented a possible picture of virtual trading, and solicited CFBTA's help in studying market dynamics for educational purposes as well as for software development.

"I'm a secret fan of what you do," Kollock told floor traders and brokers. "Nothing beats the floor, even for those who use screen-based trading." He cited market factors such as the identify of the trader, and mood of the floor as value-added information that is only available on the trading floor. He solicited CFBTA's help to study these market dynamics . "We need to identify the aspects of open outcry that add value....we need research," he said.

He said that traders should not have to choose between open outcry and screen trading. Currently, screen trading is simply price/time matching, but that can change. He suggested that the way of the future may be discretionary trading in which a trader can establish rapport with an on-screen trader, much as it is done on the trading floor The technology exists now, Jacobs added, for "enriched electronic trading" which may lead to a "virtual exchange."

Jacobs and Kollock also suggested that a website be created that would enable traders at exchanges throughout the world to discuss similar problems, issues and concerns.

The CFBTA board deferred consideration in participating in the market dynamics study at this time.

Reporting fines to the NFA...

Traders have an obligation to report all fines (other than decorum) levied against them to the National Futures Association (NFA). Failure to do so can result in additional fines by the NFA.

As present, fines must be reported by a trader to the NFA, and by the exchanges to the NFA and CFTC. Traders, often unaware of this obligation, are facing unexpected expenses and jeopardy, especially as the NFA conducts its three-year review of records to renew licenses, according to presentations at the annual CFBTA meeting. Various traders present at the meeting agreed they never heard of the rule, despite having taken broker training classes.

Ignorance, however, will not be bliss for traders. "We have a potential problem situation here," said Public Director Mel Falis at the annual CFBTA meeting on Feb.1. "First, we have to educate, then we have to work to change the rule." He and Public Director Jim Gargan have joined forces, on behalf of CFBTA, since a CFBTA delegation visited with CFTC commissioners this past summer on industry issues. (see Opening Call, Winter 1998/99).

"This past summer, during our meetings with the CFTC, we began discussions which would eliminate the multiple reporting of fines," Gargan noted at the February annual meeting. " We are making good progress at getting the exchanges' support for the change. We are proposing that, in the future, the exchanges would simply report the fines to the NFA and that would relieve the trader from duplicating the exchanges' reporting.

Until such change is enacted, however, traders need to fulfill their obligation. Sherri Hughes, former NYMEX counsel in attendance at the annual meeting, explained that every three years, the NFA re-evaluates traders for license renewals. Cases of suspension are then reviewed and receive heightened scrutiny. Monetary fines are checked with the exchange to confirm that the underlying infraction was a minor violation. If a trader has not updated his records properly in terms of fine reporting, additional penalties can be levied.

In Brief...

Treasurer's Report>

CFBTA Treasurer Joe Salvatore reported a year-end balance of \$6,360. Dues are to remain at \$50, and are currently being collected for 1999.

Raffle

Last year, CFBTA's raffle brought in \$3,250 to help offset the costs of a trip to Washington to meet with CFTC officials. This year, Madeline Boyd, Joe Salvatore and David Wender are working to arrange a new raffle. At the annual meeting, Boyd suggested that the ticket price could be \$25 instead of last year's \$5.

Website Sponsor

Warren Rosen & Co. has again signed-on to sponsor the CFBTA website --www.cfbta.org. Rosen was also recently endorsed by the NY Board of Trade to provide members' benefits - medical, life and dental. For specific details, call Rosen at 212/949-9200.

Others interested in advertising on the CFBTA website should contact Nick Mangano at NetList, 718/843-7189 or Mary Ann Matlock, 908/709-1280.

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