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Dispositive decision for which a notice of appeal has been filed, the notice of appeal and such further documents as the Commission may thereafter request filed in any material legal proceeding to which the futures commission merchant is a party or its property or assets is subjects.

(c) Every futures commission merchant shall submit to the Commission copies of the complaint, any dispositive or partially dispositive decision, any notice of appeal filed concerning such decisions and such further documents as the Commission may thereafter request filed in any material legal proceeding instituted against any person who is a principal of the futures commission merchant arising from conduct in such person’s capacity as a principal of the futures commission merchant and alleging violations of:

(1) The act or any rule, regulation, or order thereunder;

(2) the constitution, bylaws or rules of the futures commission merchant;

(3) the applicable provisions of state law relating to the duties of officers, directors, or other officials of business organizations.

(d) Every futures commission merchant shall submit to the Commission copies of any dispositive or partially dispositive decision concerning which a notice of appeal has been filed, the notice of appeal, and such further documents as the Commission may thereafter request filed in any material legal proceeding instituted against any person who is a principal of the futures commission merchant and alleging violations of:

(1) The act or any rule, regulation, or order thereunder;

(2) the constitution, bylaws or rules of the futures commission merchant;

(3) the applicable provisions of state law relating to the duties of officers, directors, or other officials of business organizations.

§§ 1.61–1.62 [Reserved]

§ 1.63 Service on self-regulatory organization governing boards or committees by persons with disciplinary histories.

(a) Definitions. For purposes of this section:

(1) Self-regulatory organization means a “self-regulatory organization” as defined in §1.3(ee), and includes a “clearing organization” as defined in §1.3(d), except as defined in paragraph (b)(6) of this section.

(2) Disciplinary committee means any person or committee of persons, or any subcommittee thereof, that is authorized by a self-regulatory organization to issue disciplinary charges, to conduct disciplinary proceedings, to settle disciplinary charges, to impose disciplinary sanctions or to hear appeals thereof.

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(3) Arbitration panel means any person or panel empowered by a self-regulatory organization to arbitrate disputes involving such organization’s members or their customers.

(4) Oversight panel means any panel authorized by a self-regulatory organization to review, recommend or establish policies or procedures with respect to the self-regulatory organization’s surveillance, compliance, rule enforcement or disciplinary responsibilities.

(5) Final decision means:
   (i) A decision of a self-regulatory organization which cannot be further appealed within the self-regulatory organization, is not subject to the stay of the Commission or a court of competent jurisdiction, and has not been reversed by the Commission or any court of competent jurisdiction; or,
   (ii) Any decision by an administrative law judge, a court of competent jurisdiction or the Commission which has not been stayed or reversed.

(6) Disciplinary offense means:
   (i) Any violation of the rules of a self-regulatory organization except those rules related to
      (A) Decorum or attire,
      (B) Financial requirements, or
      (C) Reporting or recordkeeping unless resulting in fines aggregating more than $5,000 within any calendar year;
   (ii) Any rule violation described in subparagraphs (a)(6)(i) (A) through (C) of this regulation which involves fraud, deceit or conversion or results in a suspension or expulsion;
   (iii) Any violation of the Act or the regulations promulgated thereunder; or,
   (iv) Any failure to exercise supervisory responsibility with respect to acts described in paragraphs (a)(6) (i) through (iii) of this section when such failure is itself a violation of either the rules of a self-regulatory organization, the Act or the regulations promulgated thereunder.

(7) Settlement agreement means any agreement consenting to the imposition of sanctions by a self-regulatory organization, a court of competent jurisdiction or the Commission.

(b) Each self-regulatory organization must maintain in effect rules which have been submitted to the Commission pursuant to section 5(c)(c) of the Act and part 40 of this chapter or, in the case of a registered futures association, pursuant to section 17(j) of the Act, that render a person ineligible to serve on its disciplinary committees, arbitration panels, oversight panels or governing board who:
   (1) Was found within the prior three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission to have committed a disciplinary offense;
   (2) Entered into a settlement agreement within the prior three years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
   (3) Currently is suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:
      (i) A finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission that such person committed a disciplinary offense; or,
      (ii) A settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
   (4) Currently is suspended or expelled from membership in any self-regulatory organization;
   (5) Currently is subject to or has had imposed on him within the prior three years a Commission registration revocation or suspension in any capacity for any reason, or has been convicted within the prior three years of any of the felonies listed in section 8a(2)(D) (ii) through (iv) of the Act;
   (6) Currently is subject to a denial, suspension or disqualification from serving on the disciplinary committee, arbitration panel or governing board of
§ 1.64 Composition of various self-regulatory organization governing boards and major disciplinary committees.

(a) Definitions. For purposes of this section:

(1) Self-regulatory organization means "self-regulatory organization" as defined in §1.3(ee), not including a "clearing organization" as defined in §1.3(d).

(2) Major disciplinary committee means a committee of persons who are authorized by a self-regulatory organization to conduct disciplinary hearings, to settle disciplinary charges, to impose disciplinary sanctions or to hear appeals thereof in cases involving any violation of the rules of the self-regulatory organization except those which:

(i) Are related to:
   (A) Decorum or attire,
   (B) Financial requirements, or
   (C) Reporting or recordkeeping; and,
   (ii) Do not involve fraud, deceit or conversion.

(3) Regular voting member of a governing board means any person who is eligible to vote routinely on matters being considered by the board and otherwise ensure its availability to the general public.

(4) Membership interest (i) In the case of a contract market, each of the following will be considered a different membership interest:
   (A) Floor brokers,
   (B) Floor traders,
   (C) Futures commission merchants,
   (D) Producers, consumers, processors, distributors, and merchandisers of commodities traded on the particular contract market,
   (E) Participants in a variety of pits or principal groups of commodities traded on the particular contract market.
   (F) Other market users or participants; except that with respect to paragraph (c)(2) of this section, a contract market may define membership interests according to the different pits or principal groups of commodities traded on the contract market.

(ii) In the case of a registered futures association, each of the following will