

Commodity Futures Trading Commission
CEA CASES

NAME: COMMODITY CONSULTANTS, INC., AND PETER F. SCHOENFELD

CITATION: 28 Agric. Dec. 1110

DOCKET NUMBER: 163

DATE: SEPTEMBER 23, 1969

DOCUMENT TYPE: DECISION AND ORDER

(No. 12,703)

In re COMMODITY CONSULTANTS, INC., and PETER F. SCHOENFELD. CEA Docket No. 163. Decided September 23, 1969.

Financial requirements -- Denial of trading privileges -- Suspension of registration -- Stipulation

The registration of the corporate respondent as a futures commission merchant is suspended for a period of 30 days and thereafter until it demonstrates that it meets the minimum financial requirements prescribed by the regulations issued under the Commodity Exchange Act; the individual respondent is ordered to cease and desist from causing, aiding, etc., any futures commission merchant to engage in business under the act without meeting the necessary financial requirements; and all the contract markets are directed to refuse all trading privileges to both respondents for a period of 30 days.

Earl L. Saunders for Commodity Exchange Authority.

Alan M. Smotkin, of Beverly Hills, Cal., for respondents.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

The respondents are charged with violating section 4f of the Commodity Exchange Act (7 U.S.C. 6f, Supp. IV, 1969) and section 1.17 of the regulations issued thereunder (34 F.R. 599). No hearing has been held. The respondents have submitted a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4 (b)), in which they admit the facts hereinafter set forth, waive hearing on the charges, and consent to the entry of the order contained herein.

FINDINGS OF FACT

1. Respondent Commodity Consultants, Inc., is now, and was at all times material herein, a corporation organized and existing under the laws of the State of California, with its office at 6363 Wilshire Boulevard, Los Angeles, California 90048. The said corporation is now, and was at all such times, registered as a futures commission merchant under the Commodity Exchange Act. During the period from May 6, 1969, through June 24, 1969, the respondent corporation, acting in the capacity of futures commission merchant under the Commodity Exchange Act, was engaged in commodities for future delivery for the accounts of customers and holding for such customers sums of money, representing deposits of margin by and trading profits accruing to such customers.

2. Respondent Peter F. Schoenfeld, an individual whose business address is the same as that of the respondent corporation, is now, and was at all times material herein, President of the respondent corporation. At all such times, the operations of the

respondent corporation were under the direction and control of respondent Peter F. Schoenfeld.

3. The respondent corporation presently fails to meet the minimum financial requirements prescribed by section 1.17 of the regulations (34 F.R. 599) issued by the Secretary of Agriculture under the Commodity Exchange Act, and at all times during the period from May 6 through June 24, 1969, failed to meet such requirements. During such period, the respondent corporation's current liabilities exceeded its current assets, and it lacked sufficient capital to meet the minimum financial requirements prescribed by section 1.17 of the regulations, as follows:

Date 1969	Amount by Which Current Liabilities	
	Exceeded Current Assets	Capital Deficiency
May 6	\$ 1,610.84	\$ 11,610.84
7	1,970.66	11,970.66
8	1,970.66	11,970.66
9	1,970.66	11,970.66
12	2,218.51	12,218.51
13	2,218.51	12,218.51
14	2,218.51	12,218.51
15	2,218.51	12,218.51
16	2,218.51	12,218.51
19	2,959.37	12,959.37
20	4,059.42	14,059.42
21	4,312.02	14,312.02
22	4,143.02	14,143.02
23	4,143.02	14,143.02
26	4,143.02	14,143.02
27	4,838.67	14,838.67
28	4,870.72	14,870.72
29	5,592.53	15,592.53
June 2	5,623.80	15,623.80
3	5,629.30	15,629.30
4	5,896.59	15,896.59
5	6,565.41	16,565.41
6	6,978.56	16,978.56
9	7,537.41	17,537.41
10	8,043.91	18,043.91
11	8,463.91	18,463.91
12	8,569.39	18,569.39
13	8,941.14	18,941.14
16	8,941.14	18,941.14
17	9,206.14	19,206.14
18	9,406.14	19,406.14
19	9,406.14	19,406.14

Date 1969	Amount by Which Current Liabilities	
	Exceeded Current Assets	Capital Deficiency
20	9,406.14	19,406.14
23	9,406.14	19,406.14
24	9,223.84	19,223.84

CONCLUSIONS

By reason of the facts set forth in the Findings of Fact, it is concluded that, as charged in the complaint, the respondents violated section 4f of the Commodity Exchange Act and section 1.17 of the regulations thereunder.

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the stipulation and waiver submitted by the respondents. 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 Commodity Exchange Act. The complainant recommends, therefore, that the stipulation and waiver be accepted and that the proposed order be issued.

It is concluded that the complainant's recommendation should be adopted.

ORDER

Effective immediately, respondent Commodity Consultants, Inc., shall cease and desist from engaging as futures commission merchant without meeting the minimum financial requirements prescribed by section 1.17 of the regulations (34 F.R. 599) issued under the Commodity Exchange Act.

Effective immediately, respondent Peter F. Schoenfeld shall cease and desist from wilfully causing, aiding, abetting, counseling, commanding or inducing Commodity Consultants, Inc., or any other futures commission merchant, to engage as futures commission merchant without meeting the minimum financial requirements prescribed by section 1.17 of the regulations (34 F.R. 599) issued under the Commodity Exchange Act.

Effective on the thirtieth day after the date of entry of this order, (1) the respondents are prohibited from trading on or subject to the rules of any contract market for a period of 30

days, and all contract markets shall refuse all trading privileges to the respondents during this period, such prohibition and refusal to apply to all trading done and all positions held by the respondents, directly or indirectly, and (2) the registration of respondent Commodity Consultants, Inc. as futures commission merchant is suspended for a period of 30 days and thereafter until such time as the said respondent demonstrates that it meets the financial requirements prescribed by section 1.17 of the regulations (34 F.R. 599) issued under the Commodity Exchange Act. At the request of the said respondent, when it makes such a showing, a supplemental order will be issued in this proceeding terminating such suspension after the thirty-day period.

A copy of this order shall be served upon each of the parties and upon each contract market.

LOAD-DATE: June 10, 2008

