

Commodity Futures Trading Commission  
CEA CASES

**NAME:** JON F. FREEMAN, D/B/A J. F. FREEMAN & COMPANY

**CITATION:** 31 Agric. Dec. 1596

**DOCKET NUMBER:** 198

**DATE:** DECEMBER 22, 1972

**DOCUMENT TYPE:** DECISION AND ORDER

(No. 14,892)

*In re* JON F. FREEMAN, d/b/a J. F. FREEMAN & COMPANY. CEA Docket No. 198.  
Decided December 22, 1972.

**Minimum financial requirements -- Failure to meet -- Stipulation -- Denial of trading privileges -- Suspension**

The stipulation filed herein by respondent has been accepted, the complainant's recommendaion has been adopted, and the Order herein is issued, denying trading privileges to respondent for 60 days and suspending the registration of respondent as a futures commission merchant under the Act for 60 days, as stated in the Order.

*Darrold A. Dandy*, for complainant.

Respondent *pro se*.

*Decision by Donald A. Campbell, Judicial Officer*

**DECISION AND ORDER**

**PRELIMINARY STATEMENT**

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. Chapter 1), instituted by a complaint and notice of hearing issued on September 1, 1972. It is alleged in the complaint that the respondent does not now meet the minimum financial requirements under section 4f of the Commodity Exchange Act (7 U.S.C. 6f) and section 1.17 of the regulations (17 CFR 1.17), and wilfully violated these sections by operating as a futures commission merchant while failing to meet such minimum financial requirements.

No hearing has been held in this proceeding. The respondent has filed a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b) in which he (1) admits the facts hereinafter set forth in paragraph 1 of the Findings of Fact, (2) admits, for the purpose of this proceeding and for such purposes only, the remaining facts set forth in the Findings of Fact, and (3) waives oral hearing on the charges in the complaint and the report of the Referee and consents to the entry, without further proceedings, of the order contained herein.

**FINDINGS OF FACT**

1. The respondent, Jon F. Freeman, an individual doing business as J. F. Freeman & Company with his principal office at

6 Harrison Street, New York, New York 10013, is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act, engaged in trading 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. At all such times the respondent was subject to the minimum financial requirements set forth in section 1.17 of the regulations under the Commodity Exchange Act (17 CFR 1.17).

2. The respondent presently fails to meet the minimum financial requirements prescribed by section 1.17 of the regulations (17 CFR 1.17) issued by the Secretary of Agriculture under the Commodity Exchange Act and during the period from July 31 through August 30, 1972, failed to meet such requirements. According to the reports of the respondent's financial condition which he filed with the Commodity Exchange Authority on August 22, 1972, the respondent, as of July 31, 1972, had adjusted working capital amounting to approximately minus \$ 7,000, and a minimum working capital requirement amounting to approximately \$ 27,000, resulting in a working capital deficiency amounting to approximately \$ 34,000.

### **CONCLUSIONS**

By reason of the facts set forth in the Findings of Fact, it is concluded the respondent Jon F. Freeman, as charged in the complaint, does not now meet the minimum financial requirements under section 4f of the Commodity Exchange Act (7 U.S.C. 6f) and section 1.17 of the regulations (17 CFR 1.17) and wilfully violated these sections by operating as a futures commission merchant while failing to meet such minimum financial requirements.

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

### **ORDER**

1. Effective upon the date of service of this Order upon the respondent, Jon F. Freeman, he shall cease and desist from, (1) engaging in business as a futures commission merchant within the meaning of the Commodity Exchange Act without meeting the financial requirements prescribed by section 4f of the Commodity Exchange Act (7 U.S.C. 6f) and section 1.17 of the regulations issued thereunder (17 CFR 1.17), and (2) wilfully causing, aiding, counseling, commanding or inducing any futures commission merchant to engage in any act or practice from which the said respondent is directed to cease and desist by this Order.

2. The registration of the respondent as futures commission merchant under the Commodity Exchange Act is suspended for a period of 60 days and thereafter until such time as the said respondent demonstrates that he meets the financial requirements prescribed by section 1.17 of the regulations issued under the Commodity Exchange Act (17 CFR 1.17). At the request of the said respondent, when he makes such a showing, a supplemental order will be issued in this proceeding terminating such suspension after the sixty-day period.

3. The respondent is prohibited from trading on or subject to the rules of any contract market for a period of 60 days, and all contract markets shall refuse all trading privileges to the respondent during this period. Such prohibition and refusal shall apply to all trading done and positions held directly by the said respondent either for his own account or as the agent or representative of any other person or firm, and also to all trading done and positions held indirectly through persons or firms owned wholly or in substantial amount by the said respondent or in any way subject to his direction or control, including but not limited to J. F. Freeman & Company.

4. The period of suspension of the registration of the respondent set forth in paragraph 2, above, and the period of the prohibition or trading and denial

of trading privileges to the respondent set forth in paragraph 3, above, shall become effective on the thirtieth day after the date of entry of this order.

**LOAD-DATE:** June 9, 2008

