

Commodity Futures Trading Commission
CEA CASES

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

DOCKET NUMBER: 198

DATE: SEPTEMBER 1, 1972

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Jon F. Freeman, d/b/a J. F. Freeman & Company, Respondent

CEA Docket No. 198

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent does not now meet the minimum financial requirements of the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and that the respondent has violated the said Act and regulations, and, therefore, this complaint and notice of hearing is issued alleging the following:

I

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).

II

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.

III

By reason of the facts alleged in this complaint, 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.

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 in New York, New York, at a place therein and date 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) suspending or revoking the registration of the respondent as futures commission merchant, (2) 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 (3) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D. C.

September 1, 1972

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

