

Commodity Futures Trading Commission  
CEA CASES

**NAME:** AMERICAN COMMODITY BROKERS, INC. AND PHYLLIS C. DEMPSTER

**CITATION:** 28 Agric. Dec. 813

**DOCKET NUMBER:** 160

**DATE:** JULY 9, 1969

**DOCUMENT TYPE:** DECISION AND ORDER

(No. 12,582)

*In re* AMERICAN COMMODITY BROKERS, INC. and PHYLLIS C. DEMPSTER. CEA Docket No. 160. Decided July 9, 1969.

**Violation of financial requirements -- Cease and desist -- Consent**

The respondent corporation is ordered to cease and desist from engaging in business as a futures commission merchant without meeting the minimum financial requirements prescribed by the regulations issued under the Commodity Exchange Act, and the individual respondent, president of the corporate respondent, is ordered to cease and desist from aiding, etc., any futures commission merchant to engage in business without meeting the minimum financial requirements as prescribed.

*Earl L. Saunders* for Commodity Exchange Authority.

*John K. Cannon, Dykema, Wheat, Spencer, Goodnow and Trigg, Detroit, Mich.,* 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 § 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 American Commodity Brokers, Inc., is now, and was at all times material herein, a corporation organized and

existing under the laws of the State of Michigan, with its principal office at 14500 West Eight Mile Road, Oak Park, Michigan. The said corporation is now, and was at all such times, 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.

2. Respondent Phyllis C. Dempster, an individual whose business address is 14500 West Eight Mile Road, Oak Park, Michigan, 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 Phyllis C. Dempster.

3. As of March 31, 1969, the respondent corporation failed 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. According to the report of the respondent corporation's financial condition (Form 1-FR) which it filed with the Commodity Exchange Authority on April 30, 1969, the respondent corporation, as of March 31, 1969, had current liabilities of \$ 34,790.91 and current assets of \$ 21,008.80.

**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 on the date of service of this order upon respondent American Commodity Brokers, Inc., it 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 on the date of service of this order upon respondent Phyllis C. Dempster, she shall cease and desist from wilfully causing, aiding, abetting, counseling, commanding or inducing American Commodity Brokers, 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.

A copy of this Decision and Order shall be served on each of the parties.

**LOAD-DATE:** June 10, 2008

