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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Colin Hayes Sullivan
aka Colin Mark Sullivan
aka Sullivan Colin Hayes
Freeport Commodity Trading, Inc.
Freeport Commodity Trading
9471 Fairlight Court
Elk Grove, CA 95758

DESIST AND REFRAIN ORDER

(For violations of Corporations Code sections 29520, 29535, and 29536)

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times, Colin Hayes Sullivan, aka Colin Mark Sullivan, aka Sullivan Colin Hayes (“Sullivan”) was a natural person, and the owner, operator, and sole control person of Freeport Commodity Trading and Freeport Commodity Trading, Inc. Sullivan’s last known business address is 9471 Fairlight Court, Elk Grove, California 95758.
2. Under the name Colin Hayes Sullivan, Sullivan was registered with the National Futures Association (“NFA”) from August 31, 2006 to October 15, 2009 as a Commodity Trading Advisor (“CTA”). Under the same name, Sullivan was registered with the NFA from July 28, 2009 to May 11, 2011 as an introducing broker (“IB”). (NFA #184736.)
3. Under the name Colin Mark Sullivan, Sullivan was registered with the NFA from February 2, 1996 to January 10, 2000 as an Associated Person (“AP”). (NFA #269336.)
4. Under the name Sullivan Colin Hayes, Sullivan was registered with the NFA from September 1, 1997 to April 1, 2004 as an IB. (NFA #258435.)
5. Sullivan has not been registered with the NFA since May of 2011 in any capacity.

1 6. Sullivan registered the fictitious business name “Freeport Commodity Trading” as a DBA on
2 April 10, 2002 in Sacramento County. Freeport Commodity Trading’s last known business address is
3 1127 Firehouse Aly, Sacramento, California 95814.

4 7. Freeport Commodity Trading, Inc., (“Freeport”) is a California corporation incorporated on
5 February 16, 2010. Freeport was suspended on June 1, 2012. In 2010, Freeport attempted to register
6 with the NFA as an IB, but withdrew its application. Freeport’s last known business address is 9471
7 Fairlight Court, Elk Grove, California 95758.

8 8. Sullivan has been named in eight reparations cases filed with the Commodities Futures
9 Trading Commission (“CFTC”) by his customers, two misconduct complaints brought by the NFA
10 and an arbitration filed with the NFA by a customer.

11 9. In or about October, 2013, Sullivan and Freeport sold, purchased, or offered to sell or
12 purchase commodities under commodities contracts, or offered to enter into or entered into
13 transactions, as sellers or purchasers of commodities contracts and commodity options in the State of
14 California: namely, precious metals.

15 10. Sullivan and Freeport solicited California resident, C.K., to set up an account with Freeport to
16 trade in precious metals. C.K. funded the account with \$15,000.00 on October 21, 2013. The
17 precious metals purportedly purchased or sold, or offered to be purchased or sold under commodity
18 contracts were commodities within the meaning of Corporations Code section 29504.

19 11. At all relevant times, neither Sullivan nor Freeport were licensed as commodities brokers and
20 willfully failed to disclose to investors that neither Sullivan nor Freeport were registered with the
21 CFTC or NFA at the time of these transactions and, consequently, Sullivan and Freeport were acting
22 as unlicensed brokers in these transactions in violation of Corporations Code section 29535.

23 12. Sullivan and Freeport committed specific fraudulent acts in relation to these commodities
24 transactions in violation of Corporations Code section 29536 including, but not limited to:

- 25 a. converting investor monies;
- 26 b. creating false account statements;
- 27 c. placing clients in leveraged positions without proper client approvals, and,
28 consequently, placing investor monies at greater risk;

- 1 e. misrepresenting the risks being taken in the investors' accounts;
- 2 f. failing to disclose prior disciplinary actions against Sullivan by the NFA.

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4 Based upon the foregoing, the Commissioner is of the opinion that Colin Hayes Sullivan aka
5 Colin Mark Sullivan aka Sullivan Colin Hayes, Freeport Commodity Trading, Inc., and Freeport
6 Commodity Trading sold, purchased, or offered to sell or purchase commodities under commodities
7 contracts, or offered or entered into, as sellers or purchasers, commodity contracts.

8 Pursuant to Corporations Code section 29542, Colin Hayes Sullivan aka Colin Mark Sullivan
9 aka Sullivan Colin Hayes, Freeport Commodity Trading, Inc., and Freeport Commodity Trading are
10 hereby ordered to desist and refrain from the further offer and sale of commodities or commodities
11 contracts and to desist and refrain from the further offer to enter into, or from entering into, as sellers
12 or purchaser, commodities contracts in the State of California, unless and until such activity is in
13 compliance with Corporations Code section 29520.

14 Based on the above mentioned findings, the California Corporations Commissioner is also of
15 the opinion that, in connection with the offer and sale of commodities or commodities contracts Colin
16 Hayes Sullivan aka Colin Mark Sullivan aka Sullivan Colin Hayes, Freeport Commodity Trading,
17 Inc., and Freeport Commodity Trading willfully made untrue statements of material fact and omitted
18 to state material facts necessary in order to make the statements made, in light of the circumstances
19 under which they were made, not misleading in violation of Corporations Code section 29536.

20 Pursuant to Corporations Code section 29542, Colin Hayes Sullivan aka Colin Mark Sullivan
21 aka Sullivan Colin Hayes, Freeport Commodity Trading, Inc., and Freeport Commodity Trading are
22 hereby ordered to desist and refrain from purchasing or selling or offering to purchase or sell
23 commodities or commodities contracts and from offering to enter into or entering into commodities
24 contracts in the State of California by employing any untrue statement of material fact or omitting to
25 state material facts necessary in order to make statements made, in light of the circumstances under
26 which they were made, not misleading.

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4 This order is necessary, in the public interest, for the protection of investors and consistent
5 with the purposes, policies, and provisions of the California Commodity Law of 1990.

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7 DATED: January 5, 2016
8 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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11 _____
12 MARY ANN SMITH
13 Deputy Commissioner
14 Enforcement Division
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