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COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



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BRIAN C. McNEIL
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
William A. Mundell
Marc Spitzer
Mike Gleason
Kristin K. Mayes

FROM: Matthew J. Neubert *[Signature]*
Director of Securities

DATE: August 9, 2005

RE: Proposed Order re: Universal FX, Inc., Docket No. S-03541A-03-0000

CC: Brian C. McNeil, Executive Secretary

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AZ CORP COMMISSION
DOCUMENT CONTROL

Attached is a proposed consent order for Universal FX, Inc. ("UFX"). The order requires UFX to cease and desist its activity and to pay a penalty of \$5,000.

Respondent Worldwide Forex, Inc. ("Worldwide"), a Florida based company, telephoned an employee of the Division, a resident of Arizona, and offered to sell to that individual an investment in foreign currency investment contracts. Worldwide's salesman told the Arizona resident that Worldwide was an introducing broker for the offered transaction and that the account would be with UFX. The next day Worldwide sent the Arizona resident the forms necessary to open the account with UFX.

Neither Worldwide, UFX or the salesman were registered in Arizona as a securities salesman or dealer, nor was the security registered. At the time, UFX was registered with the National Futures Association ("NFA") as a Futures Commission Merchant. Worldwide and the salesman were not registered with the NFA. Neither Worldwide nor UFX have any Arizona customers.

The order finds that UFX violated A.R.S. § 44-1841 and 44-1842 by offering an unregistered security in Arizona while not registered to sell securities in Arizona. It imposes a penalty of \$5000, joint and several with Worldwide. The funds are currently being held by the Securities Division pending determination of the proposed consent order by the Commission. There is no restitution or rescission ordered, as there are no Arizona customers.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 JEFF HATCH-MILLER, Chairman
4 WILLIAM A. MUNDELL
5 MARC SPITZER
6 MIKE GLEASON
7 KRISTIN K. MAYES

8 In the matter of:

) Docket No. S-03541A-03-0000

9 WORLDWIDE FOREX, INC.
10 Steven Labell, Registered Agent
11 700 North Hiatus Road, Suite 203
12 Pembroke Pines, Florida 33026

) Decision No. _____

13 UNIVERSAL FX, INCORPORATED
14 Darren C. Blum, P.A., Registered Agent
15 8751 West Broward Boulevard
16 Plantation, Florida 33324

) **ORDER TO CEASE AND DESIST AND
ORDER FOR ADMINISTRATIVE
PENALTIES AND CONSENT TO SAME
BY: RESPONDENT UNIVERSAL FX,
INCORPORATED**

17 DAVID BRIDGES
18 c/o WORLDWIDE FOREX
19 700 North Hiatus Road, Suite 203
20 Pembroke Pines, Florida 33026

21 Respondents.
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RESPONDENT UNIVERSAL FX, INCORPORATED ("UFX") elects to permanently waive its right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.* ("Securities Act") with respect to this Order To Cease And Desist and Order for Administrative Penalties and Consent to Same by: Respondent Universal FX, Incorporated ("Order"). UFX admits the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

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3 1. Respondent WORLDWIDE FOREX, INC. is a Florida corporation whose business
4 address is 700 North Hiatus Road, Suite 203, Pembroke Pines, Florida 33026. WORLDWIDE is
5 not registered as a futures merchant with the National Futures Association (“NFA”), the approved
6 self-regulatory entity for traders in commodities. WORLDWIDE is not authorized to conduct
7 business in Arizona as a foreign corporation, and WORLDWIDE is not registered with the Division
8 as a securities dealer or salesperson.

9 2. Respondent UFX is a Florida corporation whose business address is 3467 N.E. 163rd
10 Street, North Miami Beach, Florida 33160. The address of its registered agent for service of process
11 is Darren C. Blum, P.A., 8751 West Broward Boulevard, Plantation, Florida 33324. UFX is not
12 authorized to conduct business in Arizona as a foreign corporation, and UFX is not registered with
13 the Division as a securities dealer or salesperson.

14 3. Respondent DAVID BRIDGES (“Bridges”) is an individual and was an employee
15 and/or agent of WORLDWIDE at all relevant times. BRIDGES is not registered as a futures
16 merchant with the NFA. BRIDGES is not registered with the Division as a securities dealer or
17 salesperson.

18 4. On or about July 2, 2003, BRIDGES, acting for and on behalf of WORLDWIDE
19 and UFX, contacted an employee of the Division, a resident of Arizona, and offered to sell to that
20 individual an investment in foreign currency investment contracts.

21 5. On or about July 2, 2003, BRIDGES sent via facsimile to this Division employee
22 various documents purportedly necessary to enable the Division employee to open an account for
23 investment in foreign currency trading through WORLDWIDE and UFX.

24 6. BRIDGES represented WORLDWIDE as the “introducing broker” for the
25 transaction(s) offered, despite the fact that WORLDWIDE is not registered to sell securities within
26 or from Arizona, nor is it registered with the NFA as a commodities merchant.

II.

CONCLUSIONS OF LAW

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3 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
4 Arizona Constitution and the Securities Act.

5 2. UFX offered or sold securities within or from Arizona, within the meaning of
6 A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

7 3. UFX violated A.R.S. § 44-1841 by offering or selling securities that were neither
8 registered nor exempt from registration.

9 4. UFX violated A.R.S. § 44-1842 by offering or selling securities while neither
10 registered as a dealer or salesman nor exempt from registration.

11 5. UFX's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-
12 2032.

13 6. UFX's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

III.

ORDER

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16 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and UFX's
17 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
18 that the following relief is appropriate, in the public interest, and necessary for the protection of
19 investors:

20 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that UFX, and any of UFX's agents,
21 employees, successors and assigns, permanently cease and desist from violating the Securities Act.
22 UFX shall not sell any securities in or from Arizona without being registered in Arizona as a dealer
23 or salesman, or exempt from such registration. UFX shall not sell securities in or from Arizona
24 unless the securities are registered in Arizona or exempt from registration.

25 IT IS FURTHER ORDERED that UFX comply with the attached Consent to Entry of
26 Order.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that UFX shall pay an
2 administrative penalty in the amount of \$5000. Payment shall be made in full by cashier's check
3 or money order on the date of this Order, payable to the "State of Arizona." Such penalty shall be
4 joint and several with any administrative penalty ordered against any other Respondent in this
5 matter.

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IT IS FURTHER ORDERED, that if UFX fails to comply with this order, the Commission may bring further legal proceedings against UFX, including application to the superior court for an order of contempt.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2005.

BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

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CONSENT TO ENTRY OF ORDER

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1. RESPONDENT UNIVERSAL FX, INCORPORATED (“UFX”) admits the jurisdiction of the Commission over the subject matter of this proceeding. UFX acknowledges that it has been fully advised of its right to a hearing to present evidence and call witnesses and UFX knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. UFX acknowledges that this Order To Cease And Desist and Order for Administrative Penalties and Consent to Same by: Respondent Universal FX, Incorporated (“Order”) constitutes a valid final order of the Commission.

2. UFX knowingly and voluntarily waives any right it may have under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. UFX acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. UFX acknowledges that it has been represented by counsel in this matter, it has reviewed this Order with its attorney and understands all terms it contains.

5. UFX neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order.

6. UFX specifically avers that it has made no sales of the securities that are the subject of this action within or from Arizona.

7. By consenting to the entry of this Order, UFX agrees not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or to create the impression that this Order is without factual basis. UFX will undertake steps necessary to assure that all of its agents and employees understand and comply with this agreement.

8. While this Order settles this administrative matter between UFX and the

1 Commission, UFX understands that this Order does not preclude the Commission from instituting
2 other administrative proceedings based on violations that are not addressed by this Order.

3 9. UFX understands that this Order does not preclude the Commission from referring
4 this matter to any governmental agency for administrative, civil, or criminal proceedings that may
5 be related to the matters addressed by this Order.

6 10. UFX understands that this Order does not preclude any other agency or officer of
7 the state of Arizona or its subdivisions from instituting administrative, civil or criminal
8 proceedings that may be related to matters addressed by this Order.

9 11. UFX agrees that it will not apply to the state of Arizona for registration as a
10 securities dealer or salesman or for licensure as an investment adviser or investment adviser
11 representative until such time as all penalties under this Order are paid in full.

12 12. UFX agrees that it will not exercise any control over any entity that offers or sells
13 securities or provides investment advisory services, within or from Arizona.

14 13. UFX acknowledges and understands that if it fails to comply with the provisions of
15 the order and this consent, the Commission may bring further legal proceedings against it,
16 including application to the superior court for an order of contempt.

17 14. UFX understands that default shall render it liable to the Commission for its costs
18 of collection and interest at the maximum legal rate.

19 15. UFX agrees that it will continue to cooperate with the Securities Division including,
20 but not limited to, providing complete and accurate testimony at any hearing in this matter and
21 cooperating with the state of Arizona in any related investigation or any other matters arising from
22 the activities described in this Order.

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