

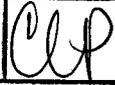


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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission  
**DOCKETED**

NOV 13 2002

DOCKETED BY 

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3 WILLIAM A. MUNDELL  
4 Chairman  
5 JIM IRVIN  
6 Commissioner  
7 MARC SPITZER  
8 Commissioner

6 In the matter of )  
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Respondents.

DOCKET NO. S-03391A-02-0000

DECISION NO. 65383

**ORDER TO CEASE AND DESIST,  
ORDER OF RESTITUTION, ORDER  
FOR ADMINISTRATIVE PENALTIES  
AND CONSENT TO SAME  
BY: BRIAN BAMMAN AND BAMEX  
INTERNATIONAL, LTD.**

RESPONDENT BRIAN BAMMAN and RESPONDENT BAMEX INTERNATIONAL, LTD. (collectively "RESPONDENTS") elect to permanently waive their 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, Order For Restitution, For Administrative Penalties and For Other Affirmative Action ("Order"). RESPONDENTS admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit only for purposes of this proceeding and any other administrative proceeding before the Commission or any other agency of the State of Arizona the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

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2  
3 1. RESPONDENT BRIAN BAMMAN ("BAMMAN"), whose address is 14104 E.  
4 Andrew Drive, Fountain Hills, Arizona 85268, was the president of BAMEX.

5 2. RESPONDENT BAMEX INTERNATIONAL, LTD. ("BAMEX"), was an Arizona  
6 corporation at all relevant times. BAMEX is no longer an operating business.

7 3. Beginning in 1999, RESPONDENTS solicited investors to invest in foreign currency  
8 contracts. RESPONDENTS advertised to the general public in publications, attended financial  
9 conferences and maintained an Internet website offering their services in investing in foreign  
10 currencies.

11 4. RESPONDENTS informed investors that they would limit risk through  
12 conservative trading strategies. RESPONDENTS alleged that through use of these conservative  
13 trading techniques, investors could expect a net return of 72% - 84% per annum. Investors were  
14 told that other investors had been very successful. The leveraged trading accounts offered or sold  
15 by RESPONDENTS were promoted as an investment rather than a commercial facility, with a  
16 focus on high return to the investor from speculation profits instead of the actual delivery of  
17 foreign currency to or by the account holder.

18 5. RESPONDENTS told some investors that RESPONDENTS did not need to be  
19 licensed to trade in foreign currencies for investors.

20 6. Investors from Arizona and nationwide invested with RESPONDENTS.  
21 RESPONDENTS did provide multi-page disclosure statements to investors at time of investment,  
22 some of which contradicted the oral representations made to investors. Additionally, the  
23 disclosure statements alleged that currency investments were only suitable for sophisticated  
24 institutions and investors able to withstand the loss of all their investments, when at least some of  
25 the investors had limited net worth.  
26



1 6. RESPONDENTS' conduct is grounds for a cease and desist order pursuant to A.R.S. §  
2 44-2032.

3 7. RESPONDENTS' conduct is grounds for an order of restitution pursuant to A.R.S. §  
4 44-2032.

5 8. RESPONDENTS' conduct is grounds for administrative penalties under A.R.S. § 44-  
6 2036.

7 **III.**

8 **ORDER**

9 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the  
10 RESPONDENTS' consent to the entry of this Order, the Commission finds that the following  
11 relief is appropriate, in the public interest, and necessary for the protection of investors:

12 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS, their agents,  
13 employees, successors and assigns, permanently cease and desist from violating the Securities Act.

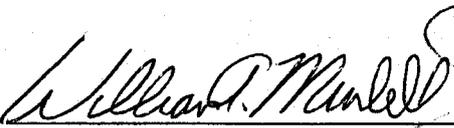
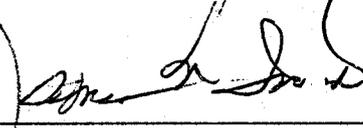
14 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS shall,  
15 jointly and severally, pay restitution to investors shown on the records of the Commission in the  
16 amount of \$1,242,429.84, plus interest at the rate of 10% per annum from the date of each  
17 investment until paid in full. Payment shall be made by cashier's check or money order payable to  
18 the "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the  
19 Arizona Attorney General. The Arizona Attorney General shall disburse the funds on a pro rata  
20 basis to investors. If all investors are paid in full, any excess funds shall revert to the state of  
21 Arizona.

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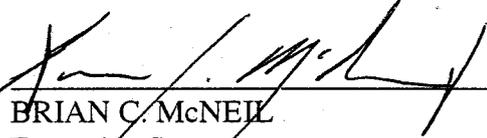
1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENTS, jointly  
2 and severally, shall pay an administrative penalty in the amount of \$35,000, payable to the "State  
3 of Arizona." Payment shall be made in full by cashier's check or money order on the date of this  
4 Order. Any unpaid amount shall accrue interest at the rate of 10% per annum until paid in full.

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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

7  
8     
9 CHAIRMAN COMMISSIONER COMMISSIONER

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
11 Executive Secretary of the Arizona Corporation  
12 Commission, have hereunto set my hand and caused the  
13 official seal of the Commission to be affixed at the  
14 Capitol, in the City of Phoenix, this 13<sup>th</sup> day of  
15 November, 2002.

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17 BRIAN C. McNEIL  
18 Executive Secretary

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This document is available in alternative formats by contacting Shelly M. Hood, Executive Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail [shood@cc.state.az.us](mailto:shood@cc.state.az.us).

(md)

**CONSENT TO ENTRY OF ORDER**

1  
2 1. RESPONDENTS admit the jurisdiction of the Commission over the subject matter of  
3 this proceeding. RESPONDENTS acknowledge that they has been fully advised of their right to a  
4 hearing to present evidence and call witnesses and RESPONDENTS knowingly and voluntarily  
5 waive any and all rights to a hearing before the Commission and all other rights otherwise  
6 available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code.  
7 RESPONDENTS acknowledge that this Order constitutes a valid final order of the Commission.

8 2. RESPONDENTS knowingly and voluntarily waive any right they may have under  
9 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or  
10 extraordinary relief resulting from the entry of this Order.

11 3. RESPONDENTS acknowledge and agree that this Order is entered into freely and  
12 voluntarily and that no promise was made or coercion used to induce such entry.

13 4. RESPONDENTS acknowledge that they have been represented by counsel in this  
14 matter, they have reviewed this Order with their attorney and understand all terms it contains.

15 5. RESPONDENTS admit, only for purposes of this proceeding and any other  
16 administrative proceeding before the Commission or any other agency of the state of Arizona, the  
17 Findings of Fact and Conclusions of Law contained in this Order.

18 6. By consenting to the entry of this Order, RESPONDENTS agree not to take any action  
19 or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding  
20 of Fact or Conclusion of Law in this Order or creating the impression that this Order is without  
21 factual basis. RESPONDENTS will undertake steps necessary to assure that all of their agents and  
22 employees understand and comply with this agreement. Nothing in this Order shall be construed  
23 to restrict any right RESPONDENTS possess to petition the Commission for reconsideration of  
24 this Order.

25 7. While this Order settles this administrative matter between RESPONDENTS and the  
26 Commission, RESPONDENTS understand that this Order does not preclude the Commission from

1 instituting other administrative proceedings based on violations that are not addressed by this  
2 Order.

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

6 9. RESPONDENTS understand that this Order does not preclude any other agency or  
7 officer of 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 10. RESPONDENTS agree that they will not apply to the state of Arizona for registration  
10 as a securities dealer or salesman or for licensure as an investment adviser or investment adviser  
11 representative until such time as all restitution and penalties under this Order are paid in full.

12 11. RESPONDENTS agree that they will not exercise any control over any entity that  
13 offers or sells securities or provides investment advisory services, within or from Arizona.

14 12. RESPONDENTS agree that until restitution and penalties are paid in full,  
15 RESPONDENTS will notify the Director of the Securities Division within 30 days of any change  
16 in their business or home address or any change in RESPONDENTS' ability to pay amounts due  
17 under this Order.

18 13. RESPONDENTS understand that default shall render them liable to the Commission  
19 for its costs of collection and interest at the maximum legal rate.

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

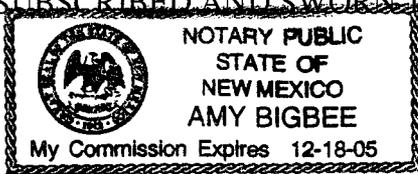
24 15. RESPONDENTS consent to the entry of this Order and agree to be fully bound by its  
25 terms and conditions. If RESPONDENTS breach any provision of this Order, the Commission  
26 may vacate this Order and restore this case to its active docket.

1 16. BAMMAN represents that he is authorized to execute this Consent on behalf of  
2 BAMEX.

*Brian Bamman*

BRAIN BAMMAN

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5  
6 SUBSCRIBED AND SWORN TO BEFORE me this 4<sup>th</sup> day of October, 2002.



*Amy Bigbee*  
NOTARY PUBLIC

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9 My Commission Expires:

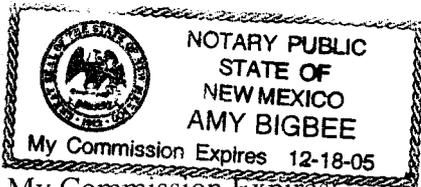
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14 BAMEX INTERNATIONAL, LTD.

*Brian Bamman*

15  
16 By: Brian Bamman

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18 SUBSCRIBED AND SWORN TO BEFORE me this 4<sup>th</sup> day of October, 2002.



*Amy Bigbee*  
NOTARY PUBLIC

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21 My Commission Expires:

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