ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION

MAR 4 8 04 AM '99

DOCUMENT CONTROL

JIM IRVIN
Commissioner-Chairman
TONY WEST
Commissioner
CARL J. KUNASEK
Commissioner

In the matter of FOREX INVESTMENT SERVICES CORPORATION 2700 N. Central Ave., Suite 1110 Phoenix, AZ 85004 EASTERN VANGUARD FOREX LTD. 2700 N. Central Ave., Suite 1110 Phoenix, AZ 85004 c/o HWR Services Limited, Registered Agent P. O. Box 71, Craigmuir Chambers Road Town, Tortola British Virgin Islands EASTERN VANGUARD GROUP LIMITED c/o AMS Trustees Limited, Registered Agent Creque Building, Main Street, P. O. Box 116 Road Town, Tortola British Virgin Islands K. (DAVID) SHARMA Eastern Vanguard Forex Ltd. P. O. Box 71, Craigmuir Chambers Road Town, Tortola British Virgin Islands SAMMY LEE CHUN WING Eastern Vanguard Group Limited Creque Building, Main Street, P. O. Box 116 Road Town, Tortola British Virgin Islands PETER SUEN SUK TAK Eastern Vanguard Group Limited Creque Building, Main Street, P. O. Box 116 Road Town, Tortola British Virgin Islands . . .	DOCKET NO. S-03177A-98-0000 **MOTION TO ADMIT INTO EVIDENCE A POST-HEARING EXHIBIT**

Arizona Corporation Commission
DOCKETED

MAR 04 1999

DOCKETED BY

JAMES CHARLES SIMMONS, JR.
5045 N. 58th Ave. #23A
Glendale, AZ 85301

MICHAEL E. CHO
839 Faxon Avenue
San Francisco, CA 94112

TO FAI CHENG
1800 Van Ness, 2nd Fl.
San Francisco, CA 94109

JEAN YUEN
439 3rd Avenue
San Francisco, CA 94118

Y & T INC. dba TOKYO
INTERNATIONAL INVESTMENT LTD.
1800 Van Ness Ave., 2nd Fl.
San Francisco, CA 94109

WING MING TAM
c/o Tokyo International Investment Ltd.
1800 Van Ness Ave., 2nd Fl.
San Francisco, CA 94109

GUO QUAN ZHANG
c/o Tokyo International Investment Ltd.
1800 Van Ness Ave., 2nd Fl.
San Francisco, CA 94109

Respondents.

The Securities Division ("Division") of the Arizona Corporation Commission hereby moves to admit into evidence in the above-captioned proceeding the affidavit and its affixed Exhibit A that were filed in this matter by Respondents on December 9, 1998, a copy of which is attached hereto and marked as Exhibit S-184. Pursuant to A.A.C. R14-3-109(Q), the grounds for this motion are as follow.

I.
BACKGROUND

On October 23, 1998, an undated affidavit by Alwin Yam marked as Exhibit S-183 was admitted

into evidence in this proceeding by stipulated motion of the parties following its production to the Division by Respondents. *Hearing Transcript, Vol. XIX, p. 3193-94.* At a post-hearing procedural conference on November 4, 1998, the Hearing Officer ordered further production of records by Respondents pursuant to pending pre-hearing requests by the Division for documents. *Procedural Conference Transcript, pp. 27-28.* On December 9, 1998, Respondents filed another affidavit by Alwin Yam, with affixed Exhibit A, dated December 2, 1998. This second Yam affidavit and attachment contained information not previously disclosed by Respondents. The Division believes this information is evidence relevant to facts that are of consequence to the determination of this matter. Insofar as it was not produced before or during the hearing pursuant to the Division's pending requests, it is reasonable and appropriate for the affidavit and its attachment to be now entered into evidence as Exhibit S-184 in order to supplement the record. Moreover, even if no production requests remained pending following the hearing, A.A.C. R14-3-109(G) permits the Hearing Officer to consent to the introduction of further evidence even after a party "has rested his case."

The Division has conferred with counsel for all Respondents except James Charles Simmons, Jr., and that counsel has informed the undersigned of no objection to the admission into evidence of Exhibit S-184. The Division has not conferred with Respondent Simmons, who has failed to appear at or participate in the hearing and post-hearing proceedings.

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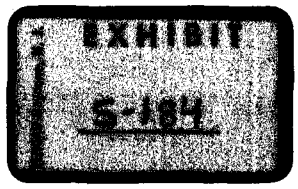
II.
CONCLUSION

For the foregoing reasons, the Division now moves to admit Exhibit S-184 into evidence in this proceeding.

DATED this 3rd day of March, 1999.

JANET NAPOLITANO
Attorney General
Consumer Protection & Antitrust Section

By: _____
MARK C. KNOPS
Special Assistant Attorney General
Robert A. Zumoff
Assistant Attorney General
Attorneys for the Securities Division of the
Arizona Corporation Commission



AFFIDAVIT OF ALWIN YAM

ALWIN YAM, upon his oath, does depose and state:

1. My name is Alwin Yam.

2. I am the Chief Administrator for Eastern Vanguard Forex Limited ("EVFL").

3. To Fai Cheng and Scott Yuen, who is the husband of Jean Yuen, were the source of the funds provided to Forex Investment Services Corporation ("FISC") from EVFL in 1996.

4. These funds were loans to FISC from a trading account jointly held by Mr. Cheng and Mr. Yuen with EVFL.

5. In 1996, when funds were needed to support the operation of FISC, Mr. Cheng and Mr. Yeun frequently asked EVFL to wire transfer funds from their trading accounts to FISC'S Wells Fargo bank account.

6. Attached as Exhibit A is a series of statements for Mr. Cheng and Mr. Yuen's account reflecting margin withdrawals that were ultimately wire transferred to FISC. Exhibit A consists of the following:

    a. A March 27, 1996 statement reflecting a $20,000 margin withdrawal;

    b. A May 22, 1996 statement reflecting a $20,000 margin withdrawal;

    c. A June 28, 1996 statement reflecting a $20,000 margin withdrawal;

    d. An August 1, 1996 statement reflecting a $20,000 margin withdrawal;

    e. An August 7, 1996 statement reflecting a $20,000 margin withdrawal;

    f. An October 21, 1996 statement reflecting a $10,000 margin withdrawal;

    g. A November 5, 1996 statement reflecting a $20,000 margin withdrawal; and

    h. A December 4, 1996 statement reflecting a $15,000 margin withdrawal.

7. All of the items listed in paragraph 6 correspond to certain deposits made in FISC's account in 1996.

8. EVFL does not have records related to any of the other deposits to FISC's account in 1996.

9. In 1996, however, virtually all of the deposits into FISC's account were from Mr. Yuen and Mr. Cheng.

10. EVFL has no records, in addition to the records previously provided to the Division, related to the transfers of funds from EVFL's San Francisco Citibank account to the Marine Midland Bank account in New York City.

11. The vast majority of the funds that were transferred to Marine Midland Bank were the result of trading losses sustained by FISC's investors.

12. When losses in investors' accounts reach a certain level, the dealers with whom we place our trades ask us to provide them with additional margin.

13. EVFL usually forwards the margin to the dealers and then replenishes the funds it transferred with funds from the particular accounts that sustained the losses.

14. When EVFL would withdraw funds from the San Francisco account, it would also withdraw funds reflecting the fees to which it was entitled under its servicing agreement with FISC.

15. Exhibit S-73 is a copy of the servicing agreement between FISC and EVFL.

16. The servicing agreement governs the transfers from EVFL to FISC in 1997.

17. This agreement provided that EVFL would pay FISC $20,000 a month, plus $50 per settlement unit.

18. EVFL would receive $20 if the trade were a day trade and $30 if the trade were an overnight trade.

19. EVFL hoped that FISC would execute a sufficient amount of monthly trades so that both FISC and EVFL would profit from the servicing agreement.

20. Unfortunately, FISC was very unsuccessful.

21. The income earned by EVFL in 1997 as a result of the trades executed by FISC did not remotely approach the nearly $300,000 that EVFL provided FISC during that year.

22. In fact, EVFL lost over $200,000 in 1997 as a result of its servicing agreement with FISC.

23. For example, Exhibit S-159 indicates that EVFL paid FISC $140,954 from April through August, 1997.

24. If this exhibit is correct and FISC executed 958 trades during this time frame, EVFL's income pursuant to the servicing agreement would have been between $19,160 (958 day trades x $20 a trade) and $28,740 (958 overnight trades x $30 a trade).

25. These figures do not approach the $140,954 paid to FISC.

26. If FISC had not terminated its operations in December, 1997, EVFL would, in all likelihood, have terminated the servicing agreement.

27. Because of the losses EVFL suffered in connection with FISC's operation, none of the officers, directors or principals of EVFL received any direct and/or indirect benefit from FISC's operation.

28. Any compensation EVFL's principals received in 1997 would have been from sources other than FISC.

29. EVFL has no records of any compensation to any of its officers, directors and/or principals as a result of FISC's operations because there was no compensation.

30. Eastern Vanguard Group Limited ("EVGL") is a holding company that holds EVFL.

31. EVGL received no direct and/or indirect benefit from EVFL and/or from any of the accounting transfers at issue in this case.

32. EVFL has received no direct or indirect benefit from EVGL and/or any of the accounting transfers at issue in this case.

33. None of EVGL's and/or EVFL's principals received any direct and/or indirect benefit as a result of any of the accounting transfers at issue in this case.

ALWIN YAM

SUBSCRIBED AND SWORN to me before this 2nd day of December, 1998.

Notary Public
PETER WAI-KEUNG LO
Notary Public
Hong kong
ROOM 507-10 BANK CENTRE
630-636 NATHAN ROAD
KOWLOON, HONG KONG

My Commission Expires:

_____

Exhibit A

Client Record

EASTERN VANGUARD FOREX LTD.

P.O Box 71, Craigmuir Chambers, Road Town,
Tortola, British Virgin Islands.

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.48, SECTION 1,
FUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMA1
Trade Date : 27/03/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
				THERE IS NO OPEN POSITION ON ACCOUNT				

ACCOUNT DETAILS

Previous Balance	100,469.28	New Balance	80,469.28
Margin Deposit	0.00	Floating P/L	0.00
Margin Withdrawal	20,000.00	Equity	80,469.28
Adjustment	0.00	Margin Requirement	0.00
Net Profit/Loss	0.00	Effective Margin	80,469.28

E. & O. E.

NOTICE
Please notify us within 72 hours, if this statement of account is incorrect, otherwise this statement of account will be deemed correct and accepted by you. Thank you.

T.T.Rate 1.00000 / 1.00000

FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signatures

EASTERN VANGUARD FOREX LTD.

P.O.Box 71, Craigmuir Chambers, Road Town,
Tortola, British Virgin Islands

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.43, SECTION 1,
FUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMAI
Trade Date : 22/05/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
11	STG	22/05/96	1.51100	10				0.00		0.00
11	STG	22/05/96	1.51100	10	22/05/96	1.50900	10	-1,000.00	0.00	-2,250.00
12	YEN	22/05/96	107.300	10				0.00		0.00

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
12	YEN	22/05/96	10	107.300		106.730	48.54	5,221.55

ACCOUNT DETAILS

Previous Balance	100,868.19	New Balance	78,666.73
Margin Deposit	0.00	Floating P/L	5,221.55
Margin Withdrawal	20,000.00	Equity	84,888.28
Adjustment	0.00	Margin Requirement	20,000.00
Net Profit/Loss	-2,201.46	Effective Margin	64,888.28

E. & O. E.

NOTICE
Please notify us within 72 hours, if this statement of account is incorrect, otherwise this statement of account will be deemed correct and accepted by you. Thank you.

FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

T.T.Rate 1.00000 / 1.00000

EASTERN VANGUARD FOREX LTD.

P.O.Box 71, Craigmuir Chambers, Road Town,
Tortola, British Virgin Islands.

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.49, SECTION 1,
PUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMA1
Trade Date : 28/06/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
13	STG	25/06/96	20	1.53900		1.55200	267.19	16,250.00

ACCOUNT DETAILS

Previous Balance	66,572.11	New Balance	46,839.30
Margin Deposit	0.00	Floating P/L	16,250.00
Margin Withdrawal	20,000.00	Equity	63,089.30
Adjustment	0.00	Margin Requirement	40,000.00
Net Profit/Loss	267.19	Effective Margin	23,089.30

E. & O. E.

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EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

T.T.Rate 1.00000 / 1.00000

EASTERN VANGUARD FOREX LTD.

P.O.Box 71, Craigmuir Chambers, Road Town,
Tortola, British Virgin Islands.

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.49, SECTION 1,
PUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMA1
Trade Date : 01/08/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
16	STG	01/08/96	1.55600	10				0.00		0.00

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
16	STG	01/08/96	10	1.55600		1.55250	135.07	-2,187.50

ACCOUNT DETAILS

Previous Balance	94,228.85	New Balance	74,363.92
Margin Deposit	0.00	Floating P/L	-2,187.50
Margin Withdrawal	20,000.00	Equity	72,176.42
Adjustment	0.00	Margin Requirement	20,000.00
Net Profit/Loss	135.07	Effective Margin	52,176.42

E. & O. E.

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EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

I.T.Rate 1.00000 / 1.00000

EASTERN VANGUARD FOREX LTD.

P.O.Box 71, Craigmuir Chambers, Road Town.
Tortola, British Virgin Islands

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.49, SECTION 1,
POI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMA1
Trade Date : 07/08/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
16	STG	01/08/96	1.55600	10	07/08/96	1.54500	10	-1,000.00	0.00	-7,875.00
17	YEN				07/08/96	106.800	20	0.00		0.00
17	YEN	07/08/96	107.900	20	07/08/96	106.800	20	-2,000.00	0.00	21,863.82

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
				THERE IS NO OPEN POSITION ON ACCOUNT				

ACCOUNT DETAILS

Previous Balance	74,769.13	New Balance	68,757.95
Margin Deposit	0.00	Floating P/L	0.00
Margin Withdrawal	20,000.00	Equity	68,757.95
Adjustment	0.00	Margin Requirement	0.00
Net Profit/Loss	13,988.82	Effective Margin	68,757.95

E. & O. E.

NOTICE
Please notify us within 72 hours, if this statement of account is incorrect, otherwise this statement of account will be deemed correct and accepted by you. Thank you.

FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

I.T.Rate 1.00000 / 1.00000

EASTERN VANGUARD FOREX LTD.

P.O.Box 71, Craigmuir Chambers, Road Town
Tortola, British Virgin Islands

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.49, SECTION 1,
PUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMA1
Trade Date : 21/10/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
21	YEN				21/10/96	112.630	10	0.00		0.00

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
21	YEN	21/10/96	10		112.630	112.720	-92.49	886.13

ACCOUNT DETAILS

Previous Balance	49,571.41	New Balance	39,478.92
Margin Deposit	0.00	Floating P/L	886.13
Margin Withdrawal	10,000.00	Equity	40,365.05
Adjustment	0.00	Margin Requirement	20,000.00
Net Profit/Loss	-92.49	Effective Margin	20,365.05

E. & O. E.

NOTICE

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FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

U.T.Rate 1.00000 / 1.00000

EASTERN VANGUARD FOREX LTD.

P.O.Box 71 Craigmuir Chambers, Road Town,
Tortola, British Virgin Islands

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO. 49, SECTION 1,
PUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 3808
I.L.C. Name : AMAI
Trade Date : 05/11/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
24	YEN				05/11/96	114.000	10	0.00		0.00

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
24	YEN	05/11/96	10		114.000	114.050	-91.37	480.71

ACCOUNT DETAILS

Previous Balance	52,749.94	New Balance	32,658.57
Margin Deposit	0.00	Floating P/L	480.71
Margin Withdrawal	20,000.00	Equity	33,139.28
Adjustment	0.00	Margin Requirement	20,000.00
Net Profit/Loss	-91.37	Effective Margin	13,139.28

E. & O. E.

NOTICE
Please notify us within 2 hours if this statement of account is incorrect, otherwise this statement of account will be deemed correct and accepted by you. Thank you.

FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

T.T.Rate 1.00000 / 1.00000

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Tortola, British Virgin Islands

Client Record

Name: CHENG TO FAI & SCOTT YUEN

Address: NO.49, SECTION 1,
PUI MAN VILLAGE, KOWLOON,
HONG KONG.

Account No. : 9808
I.I.C. Name : AMAI
Trade Date : 04/12/96
Page : 1

TRADING LIST

Ref. No.	Description	Date	Bought	Lot(s)	Date	Sold	Lot(s)	Commission	Premium	Trade Profit / Loss
29	YEN	04/12/96	113.000	10				0.00		0.00

OPEN TRADE LIST

Ref. No.	Description	Date	Lot(s)	Bought Price	Sold Price	Closing Price	Premium	Floating P/L
29	YEN	04/12/96	10	113.000		113.200	46.09	-1,954.41

ACCOUNT DETAILS

Previous Balance	27,489.99	New Balance	12,535.08
Margin Deposit	0.00	Floating P/L	-1,954.41
Margin W (Drawn)	15,000.00	Equity	10,581.67
Adjustment	0.00	Margin Requirement	20,000.00
Net Profit/Loss	46.09	Effective Margin	0.00

E. & O. E.

PTCO

Please notify us within 72 hours if this statement of account is incorrect, otherwise this statement of account will be deemed correct and accepted by you. Thank you.

T.T. Rate 1.00000 / 1.00000

FOR AND ON BEHALF OF
EASTERN VANGUARD FOREX LTD.

EASTERN VANGUARD FOREX LTD.

Authorized Signature(s)

ORIGINAL AND TEN (10) COPIES of the foregoing filed this 4th day of March, 1999, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

COPY of the foregoing mailed and/or faxed this 4th day of March, 1999 to:

James Charles Simmons, Jr.
5045 N. 58th Ave. #23A
Glendale, AZ 85301
RESPONDENT PRO SE

Paul J. Roshka, Jr., Esq.
Alan S. Baskin, Esq.
Roshka Heyman & Dewulf, PLC
Two Arizona Center
400 No. 5th St., Ste. 1000
Phoenix, AZ 85004
ATTORNEYS FOR ALL RESPONDENTS EXCEPT JAMES CHARLES SIMMONS

By: Wilma Powers