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BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION

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JIM IRVIN
Commissioner-Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

DOCKET NO. S-03177A-98-0000

In the matter of
FOREX INVESTMENT SERVICES
CORPORATION
2700 N. Central Ave., Suite 1110
Phoenix, AZ 85004

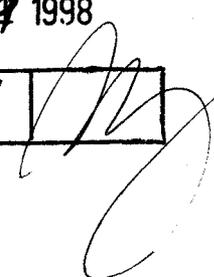
**JOINT STATEMENT OF
STIPULATED FACTS**

EASTERN VANGUARD FOREX LTD.
2700 N. Central Ave., Suite 1110
Phoenix, AZ 85004

Arizona Corporation Commission
DOCKETED

c/o HWR Services Limited, Registered Agent
P. O. Box 71, Craigmuir Chambers
Road Town, Tortola
British Virgin Islands

SEP 07 1998

DOCKETED BY 

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

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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.

Solely for the purpose of proceedings in this matter, the Securities Division of the Arizona Corporation Commission ("Commission"), by and through its undersigned counsel, and all Respondents except James Charles Simmons, Jr., by and through their undersigned counsel, hereby stipulate to the following facts in this matter:

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1 **Respondents**

2 1. Respondent Forex Investment Services Corporation ("FISC") is an Arizona corporation
3 whose principal place of business and last-known address ^{WAS MCK CD} is 2700 N. Central Ave., Suite 1110, Phoenix,
4 AZ 85004.

5 2. Respondent Eastern Vanguard Forex Ltd. ("EVFL") is a British Virgin Islands company
6 whose registered agent is HWR Services Limited at P. O. Box 71, Craigmuir Chambers, Road Town,
7 Tortola, British Virgin Islands. EVFL also has a business office at Suite G, 15/F, Chung Yu Bldg., Avn.
8 De Amizade, S/N, Macau, and various "Associated/Service Offices" in other countries. .

9 3. Respondent Eastern Vanguard Group Limited ("EVGL") is a British Virgin Islands
10 company whose registered agent is AMS Trustees Limited at P. O. Box 71, Craigmuir Chambers, Road
11 Town, Tortola, British Virgin Islands. EVGL also has a business office at Room 804, Empire Centre, 68
12 Mody Road, T. S. T. East, Kowloon, Hong Kong, People's Republic of China.

13 4. Respondent K. (David) Sharma ("SHARMA"), also known as Kiran Sharma and as Kiran
14 S/O K. R. Sharma, was a Director of EVFL until August 1, 1997. He is a Malaysian national with last-
15 known business addresses at Eastern Vanguard Forex Ltd., P. O. Box 71, Craigmuir Chambers, Road
16 Town, Tortola, British Virgin Islands and at Eastern Vanguard Forex Ltd., Suite G, 15/F, Chung Yu
17 Bldg., Avn. De Amizade, S/N, Macau.

18 5. Respondent Sammy Lee Chun Wing ("WING"), also known as Lee Chun Wing, has been
19 the Chairman of EVGL at all relevant times. He is a British national residing in Hong Kong, People's
20 Republic of China, with a last-known address there at 3/F., Block E, Boardview Terrace, 40 Cloudview
21 Road. His last-known business addresses are at Eastern Vanguard Group Limited, Creque Building, Main
22 Street, P. O. Box 116, Road Town, Tortola, British Virgin Islands and at Eastern Vanguard Group
23 Limited, Room 804, Empire Centre, 68 Mody Road, T.S.T. East, Kowloon, Hong Kong, People's
24 Republic of China. WING was issued Hong Kong Identity Card No. D202927(9).

25 6. Respondent Peter Suen Suk Tak ("TAK"), also known as Suen Suk Tak and as Suk Tak
26 Suen, has been the Deputy Chairman of EVGL at all relevant times. He is a Chinese national residing in

1 Hong Kong, People's Republic of China, with a last-known address there at Apartment H9, 9/F, Block H,
2 Moon Fair Mansion, Shiu Fai Terrace, 11 Stubbs Road, Happy Valley. His last-known business addresses
3 are at Eastern Vanguard Group Limited, Creque Building, Main Street, P. O. Box 116, Road Town,
4 Tortola, British Virgin Islands and at Eastern Vanguard Group Limited, Room 804, Empire Centre, 68
5 Mody Road, T.S.T. East, Kowloon, Hong Kong, People's Republic of China. TAK was issued Hong
6 Kong Identity Card No. D200456(A).

7 7. Respondent James Charles Simmons, Jr. ("SIMMONS") was able to enter orders through
8 FISC for foreign currency trading with EVFL from about April 1997 to December 18, 1997. He was also
9 assistant marketing manager for FISC from June through October 1997, and its marketing manager from
10 November 1, 1997 to December 18, 1997. His last-known address is 5045 N. 58th Ave. #23A, Glendale,
11 AZ 85301.

12 8. Respondent Michael E. Cho ("CHO") was employed by FISC as its marketing manager
13 from January through October 1997. His last-known permanent residence is 839 Faxon Avenue, San
14 Francisco, CA 94112.

15 9. Respondent To Fai Cheng ("CHENG"), also known as Cheng To Fai and as Derek Cheng
16 To Fai, has been the president, a director and one of the two shareholders of FISC at all times relevant to
17 this matter. He is a British national residing in Hong Kong, People's Republic of China, with a last-
18 known address there at 49 Section 1, Pui Man Village, Kowloon. CHENG was issued Hong Kong
19 Identity Card No. G603641(3), and has reported to the Commission a mailing address in the United States
20 at 1800 Van Ness Ave., 2nd Fl., San Francisco, CA 94109.

21 10. Respondent Jean Yuen ("YUEN") has been the secretary, treasurer, director and one of the
22 two shareholders of FISC at all times relevant to this matter. Her last known address is 439 3rd Ave., San
23 Francisco, CA 94118.

24 11. Respondent Y & T Inc. ("TOKYO") is a California corporation doing business as Tokyo
25 International Investment Ltd. at all times relevant to this matter, with a last-known address at 1800 Van
26 Ness Ave., 2nd Fl., San Francisco, CA 94109.

1 day. For each contract opened but not closed until another business day, EVFL required a \$2,000
2 minimum "overnight trade" margin. No investor buy or sell orders were executed on any organized
3 trading exchange. Regardless of whether an investor gained or lost money on a trade, EVFL charged the
4 account a commission of \$70 at the closing of each day trade, and \$80 upon closing each overnight trade.
5 FISC, SIMMONS, CHO and TOKYO have each received portions of such commissions as
6 compensation.

7 17. The currency contracts bought or sold through EVFL trading accounts provided no
8 settlement or delivery dates. Overnight positions could be maintained indefinitely through successive
9 business days, with only one trading commission charged by EVFL upon position liquidation. Additional
10 margin was required to maintain open positions if adverse changes in currency prices rendered the
11 minimum margin insufficient. EVFL charged or paid daily interest on overnight positions depending on
12 the currency and whether the position was buy or sell. The interest charged was greater than the interest
13 EVFL paid. Whether a day trade or an overnight trade resulted in investor gain was determined by the
14 price difference between the opening position and the offsetting contract closing a position, together with
15 commission cost and daily interest charged or paid by EVFL on overnight positions.

16 18. The leveraged trading accounts offered or sold by EVFL through FISC were promoted as
17 a speculative investment. The EVFL Customer's Agreement expressly required an account holder to
18 specially instruct EVLF in writing and receive confirmation for any order placed for actual delivery.
19 EVLF reserved the right to determine the time and place of such delivery at its discretion. Orders placed
20 without such instruction and confirmation were deemed not for delivery.

21 19. The leveraged foreign currency trading accounts offered or sold by EVFL through FISC
22 were never registered as securities under the Securities Act of Arizona.

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2 20. Respondents FISC, ^{MARK} ~~EVFL~~ ^{CO} ~~EVLE~~, SIMMONS and CHO were never registered as dealers or
3 salesman under the Securities Act of Arizona.

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5 Dated this 9th day of September, 1998.

6 GRANT WOODS
7 Attorney General
8 Consumer Protection & Antitrust Section

9
10 By: 
11 MARK C. KNOPS
12 Special Assistant Attorney General
13 Robert A. Zumoff
14 Assistant Attorney General
15 Attorneys for the Securities Division of the
16 Arizona Corporation Commission

17 and

18 ROSHKA HEYMAN & DEWULF, PLC

19 By: 
20 Paul J. Roshka, Jr.
21 Alan S. Baskin
22 Attorneys for all Respondents except James Charles
23 Simmons, Jr.
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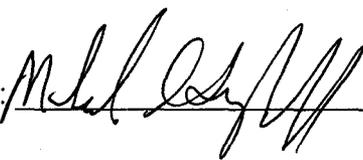
1 ORIGINAL AND TEN (10) COPIES of the foregoing
2 filed this 9th day of September, 1998, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 COPY of the foregoing mailed and/or faxed this
8 9th day of September, 1998 to:

9 James Charles Simmons, Jr.
10 5045 N. 58th Ave. #23A
11 Glendale, AZ 85301

12 RESPONDENT

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By:  _____