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NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

2003 OCT 28 P 2:04

COMMISSIONERS

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

AZ CORP COMMISSION  
DOCUMENT CONTROL

In the matter of:

Docket No. S-03541A-03-0000

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

TEMPORARY ORDER TO CEASE AND  
DESIST AND NOTICE OF  
OPPORTUNITY FOR HEARING

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

Arizona Corporation Commission

DOCKETED

OCT 28 2003

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

DOCKETED BY *CM*

Respondents.

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents WORLDWIDE FOREX, INC. ("WORLDWIDE"), UNIVERSAL FX, INCORPORATED ("UFX"), and DAVID BRIDGES ("BRIDGES") (collectively "RESPONDENTS") have engaged in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

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1 **I.**

2 **JURISDICTION**

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

5 **II.**

6 **RESPONDENTS**

7 2. Respondent WORLDWIDE is a Florida corporation whose business address is 700  
8 North Hiatus Road, Suite 203, Pembroke Pines, Florida 33026. WORLDWIDE is not registered as  
9 a futures merchant with the National Futures Association ("NFA"), the approved self-regulatory  
10 entity for traders in commodities. WORLDWIDE is not authorized to conduct business in Arizona  
11 as a foreign corporation, and WORLDWIDE is not registered with the Division as a securities dealer  
12 or salesperson.

13 3. Respondent UFX is a Florida corporation whose business address is 3467 N.E. 163<sup>rd</sup>  
14 Street, North Miami Beach, Florida 33160. The address of its registered agent for service of process  
15 is Darren C. Blum, P.A., 8751 West Broward Boulevard, Plantation, Florida 33324. UFX is not  
16 authorized to conduct business in Arizona as a foreign corporation, and UFX is not registered with  
17 the Division as a securities dealer or salesperson. UFX since April 10, 2003 has been, and currently  
18 is, an NFA-approved principal of UTS WORLD INCORPORATED ("UTS"). UTS is a registered  
19 member firm with the NFA.

20 4. Respondent BRIDGES is an individual and an employee and/or agent of  
21 WORLDWIDE. BRIDGES is not registered as a futures merchant with the NFA. BRIDGES is not  
22 registered with the Division as a securities dealer or salesperson.

23 **III.**

24 **FACTS**

25 5. On or about July 2, 2003, BRIDGES, acting for and on behalf of WORLDWIDE  
26 and UFX, contacted an employee of the Division, a resident of Arizona, and offered to sell to that

1 individual an investment in foreign currency investment contracts.

2 6. On or about July 2, 2003, BRIDGES sent via facsimile to this Division employee  
3 various documents purportedly necessary to enable the Division employee to open an account for  
4 investment in foreign currency trading through WORLDWIDE.

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

8 8. RESPONDENTS failed to provide complete and accurate information regarding the  
9 proposed transaction(s), including the following misstatements and/or omissions:

10 a) RESPONDENTS failed to disclose that RESPONDENTS are not and were  
11 not registered to sell securities within or from Arizona;

12 b) RESPONDENTS failed to disclose that neither WORLDWIDE nor  
13 BRIDGES was registered with the NFA to engage in commodities futures transactions;

14 c) RESPONDENTS failed to disclose that the investment contracts in question  
15 were not registered for sale as securities in Arizona;

16 d) RESPONDENTS provided only partial documentation regarding account  
17 opening, but nevertheless represented that the documents provided were the only  
18 documents necessary to open a currency trading account; and

19 e) RESPONDENTS failed to disclose the possible consequences of failure of  
20 the RESPONDENTS or the investment contracts in question to submit to regulation.

21 **IV.**

22 **VIOLATION OF A.R.S. § 44-1841**

23 **(Offer and Sale of Unregistered Securities)**

24 9. From on or about July 2, 2003, RESPONDENTS offered or sold securities in the  
25 form of commodity investment contracts in foreign currency, within or from Arizona.

26 10. The securities referred to above were not registered pursuant to Articles 6 or 7 of the

1 Securities Act.

2 11. This conduct violates A.R.S. § 44-1841.

3 **V.**

4 **VIOLATION OF A.R.S. § 44-1842**

5 **(Transactions by Unregistered Dealers or Salesmen)**

6 12. RESPONDENTS offered or sold securities within or from Arizona while not  
7 registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

8 13. This conduct violates A.R.S. § 44-1842.

9 **VI.**

10 **VIOLATION OF A.R.S. § 44-1991**

11 **(Fraud in Connection with the Offer or Sale of Securities)**

12 14. In connection with the offer or sale of securities within or from Arizona,  
13 RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii)  
14 made untrue statements of material fact or omitted to state material facts which were necessary in  
15 order to make the statements made not misleading in light of the circumstances under which they  
16 were made; or (iii) engaged in transactions, practices or courses of business which operated or  
17 would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes,  
18 but is not limited to, the following:

19 a) RESPONDENTS failed to disclose that RESPONDENTS are not and were  
20 not registered to sell securities within or from Arizona;

21 b) RESPONDENTS failed to disclose that neither WORLDWIDE nor  
22 BRIDGES was registered with the NFA to engage in commodities futures transactions;

23 c) RESPONDENTS failed to disclose that the investment contracts in question  
24 were not registered for sale as securities in Arizona;

25 d) RESPONDENTS provided only partial documentation regarding account  
26 opening, but nevertheless represented that the documents provided were the only

1 documents necessary to open a currency trading account; and

2 e) RESPONDENTS failed to disclose the possible consequences of failure of  
3 the RESPONDENTS or the investment contracts in question to submit to regulation.

4 15. This conduct violates A.R.S. § 44-1991.

5 **VII.**

6 **TEMPORARY ORDER**

7 **Cease and Desist from Violating the Securities Act**

8 THEREFORE, based on the above allegations, and because the Division has determined that  
9 the public welfare requires immediate action,

10 IT IS ORDERED, pursuant to A.R.S. §§ 44-2032 and A.A.C. R14-4-307, that  
11 RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active  
12 concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

13 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in  
14 effect for 180 days unless sooner vacated, modified or made permanent by the Commission.

15 IT IS FURTHER ORDERED that this Order shall be effective immediately.

16 **XIII.**

17 **REQUESTED RELIEF**

18 The Division will request that the Commission grant the following relief:

19 1. Order RESPONDENTS to permanently cease and desist from violating the  
20 Securities Act, pursuant to A.R.S. § 44-2032;

21 2. Order RESPONDENTS to take affirmative action to correct the conditions resulting  
22 from its acts, practices or transactions, including a requirement to make restitution pursuant to  
23 A.R.S. § 44-2032;

24 3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to  
25 five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

26 and



1 accommodation.

2 **XV.**

3 **ANSWER REQUIREMENT**

4 Pursuant to A.A.C. R14-4-305, if any RESPONDENT requests a hearing, each such  
5 RESPONDENT must deliver or mail an Answer to this Temporary Order and Notice to Docket  
6 Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within  
7 30 calendar days after the date of service of this Temporary Order to Cease and Desist and Notice  
8 of Opportunity for Hearing. A Docket Control cover sheet must accompany the Answer. A cover  
9 sheet form and instructions may be obtained from Docket Control by calling (602) 542-3477 or on  
10 the Commission's Internet web site at [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

11 Additionally, each such RESPONDENT must serve the Answer upon the Division.  
12 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-  
13 delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix,  
14 Arizona, 85007, addressed to Kathleen Coughenour DeLaRosa.

15 The Answer shall contain an admission or denial of each allegation in this Temporary  
16 Order and Notice and the original signature of each RESPONDENT or RESPONDENT's attorney.  
17 A statement of a lack of sufficient knowledge or information shall be considered a denial of an  
18 allegation. An allegation not denied shall be considered admitted.

19 When any RESPONDENT intends in good faith to deny only a part or a qualification of an  
20 allegation, that RESPONDENT shall specify that part or qualification of the allegation and shall  
21 admit the remainder. Each RESPONDENT waives any affirmative defense not raised in the  
22 answer.

23 ...

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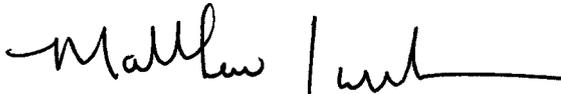
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The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 27 day of October, 2003.

  
Matthew J. Neubert  
Acting Director of Securities

Temporary Order to Cease & Desist--Worldwide Forex.doc

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**Memorandum**

**DATE:** October 28, 2003  
**TO:** Nancy Cole  
Docket Control  
**FROM:** Kathleen Coughenour DeLaRosa *KCD*  
Securities Division  
**RE:** *In re Worldwide Forex, Inc., et al.*  
Docket No. S-03541A-03-0000  
Assigned Staff  
**CC:** LaShunda Duty

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This is to notify you that the following individuals have been assigned to the above-mentioned case.

- Matthew Neubert
- LeRoy Johnson

Kathleen Coughenour DeLaRosa (Staff Attorney)

Terry Nelson (Staff Investigator)

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