

BEFORE THE
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES
STATE OF WISCONSIN

In the Matter of
BLOCK TRADING, INC., CHRISTOPHER
MICHAEL BLOCK, MICHAEL T.
MOGONYE and BILL PADGETT,

PETITION FOR ORDER
(SUMMARY)

Respondents.

File S-98178(FX)

The staff of the Enforcement Unit, Registration & Enforcement Section, of The Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 553.55, Wis. Stats., and as a result thereof alleges as follows:

1. Block Trading, Inc., ("Block"), is a foreign business entity, with a last known address of 5075 Westheimer, Suite 1080, Houston, TX 77056.
2. Christopher Michael Block, ("CBlock"), is an individual, with a last known business address of 5075 Westheimer, Suite 1080, Houston, TX 77056.
3. Michael T. Mogonye, ("Mogonye"), is an individual, with a last known business address of 5075 Westheimer, Suite 1080, Houston, TX 77056.
4. Bill Padgett, ("Padgett"), is an individual, with a last known business address of 5075 Westheimer, Suite 1080, Houston, TX 77056.
5. At all times material hereto, CBlock has been CEO of Block.
6. At all times material hereto, Mogonye has been President of Block.
7. At all times material hereto, Padgett has been a salesperson for Block.
8. In October of 1997, after responding to an advertisement in Inc. Magazine, a Wisconsin investor traveled to Houston, TX to discuss a business opportunity in Block with Padgett.
9. Padgett told the investor during this meeting the fee was a site reservation fee and would be applied towards training in the operating procedures of Block and for CBlock to travel to Wisconsin to attend a seminar to solicit customers.
10. Padgett told the investor during this meeting the site would be identified as a Block office by signage and written materials.
11. Padgett told the investor during this meeting the training was for one or two weeks and the prospective investor had to travel to the main headquarters in Texas to learn the processes of Block and how to run the office according to these processes.

