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

In the Matter of MAS FORTUNE, INC. n/k/a FOREX TRADING, INC., ROSS G. ERSKINE, SPENCER M. PAUL, THOMAS WALTERS, RAFAEL P. FRANCIS, JERSON M. SUAREZ, JAMES TAYLOR, EDUARDO C. ANDRADES, LESLIE JONES, and DENNIS HEYBURN,	PETITION FOR ORDER
Respondents.	File No. S-00087(EX)

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. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. MAS Fortune, Inc. n/k/a Forex Trading, Inc. ("MAS") is a New Jersey corporation with a last known business address of One World Trade Center, 85th Floor, Suite 8563, New York, NY 10048.

2. Ross G. Erskine (NFA ID #0295676) ("Erskine") is an adult individual who at all times material hereto has been the President of MAS, with a last known business address at that of MAS.

3. Spencer M. Paul (DOB 12/11/78; CRD#2978108; NFA ID #0302182) ("Paul") is an adult individual who at all times material hereto was an agent of MAS.

4. Thomas Walters ("Walters") is an adult individual who at all times material hereto was an agent of MAS.

5. Rafael P. Francis ("Francis") is an adult individual who at all times material hereto was an agent of MAS.

6. Jerson M. Suarez ("Suarez") is an adult individual who at all times material hereto was an agent of MAS.

7. James Taylor (NFA ID #0293723) ("Taylor") is an adult individual who at all times material hereto was an agent of MAS.

8. Eduardo C. Andrades ("Andrades") is an adult individual who at all times material hereto was an agent of MAS.

9. Leslie Jones ("Jones") is an adult individual who at all times material hereto was an agent of MAS.

10. Dennis Heyburn ("Heyburn") is an adult individual who at all times material hereto was an agent of MAS.

11. Upon information and belief, during the period of January to April, 2000, agents of Erskine and MAS offered and sold to at least six persons in Wisconsin the opportunity to invest in the interbank foreign exchange market ("the forex market") through a managed account at MAS.

12. Upon information and belief, the agents of Erskine and MAS who offered and sold the investments in the forex market to the six persons in Wisconsin are Paul, Walters, Francis, Suarez, Taylor, Andrades, Jones, and Heyburn (collectively "the agents").

13. Upon information and belief, MAS will engage in the business of buying and selling foreign currency options for investors.

14. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the investments offered and sold by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.

15. The MAS investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

16. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.

17. In connection with the offers and sales of the securities described above, MAS transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.

18. At no time has MAS been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.

19. Respondent MAS has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.

20. In connection with the offers and sales of the securities described above, the agents transacted business in Wisconsin as "agents" for MAS and Erskine, as that term is defined by sec. 551.02(2), Wis. Stats.

21. At no time have the agents been licensed as securities agents pursuant to Ch. 551, Wis. Stats.

22. The agents have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as securities agents without a license.

23. MAS and Erskine have violated sec. 551.31(2), Wis. Stats., by employing unlicensed agents to represent them in Wisconsin.

24. Upon information and belief, on August 5, 1999, the State of Texas entered into an Agreed Permanent Injunction against Erskine, and other defendants, that permanently barred them from selling securities and commodities in Texas unless registered or otherwise exempted from registration.

25. Upon information and belief, the action of the State of Texas against Erskine and other defendants came from an investigation of the offer and sale of options in foreign currency of Options Trading Group to persons in the State of Texas.

26. Upon information and belief, on July 2, 1998, in the State of Idaho, a grand jury in Madison County, indicted a number of persons associated with Options Trading Group, including Heyburn, with money laundering and racketeering in the sale of foreign currency options to persons in Idaho, which resulted in losses of $600,000.

27. Upon information and belief, the charges referred to in Paragraph 26 were later dropped upon repayment of money invested by Idaho investors, but according to a Settlement Agreement

signed by Heyburn and other persons arrested, Heyburn and the other persons were permanently barred from doing business in Idaho without the express written consent of the Idaho Attorney General.

28. Upon information and belief, in connection with the offers and sales of the securities described in Paragraph 11, Erskine omitted to disclose the issuance of the Agreed Permanent Injunction in Texas referred to in Paragraphs 24 and 25.

29. Erskine has violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

30. Upon information and belief, in connection with the offer and sales of the securities described in Paragraph 11, Erskine and Heyburn omitted to disclose the charges in Idaho against personnel of Options Trading Group referred to in Paragraphs 25 and 26.

31. Erskine and Heyburn have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 10-23-00

Mark E. Dorman — Date
Examiner
Enforcement Unit

10/23/00

David A. Cohen — Date
Supervising Attorney
Enforcement Unit