

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

In the Matter of
NATIONAL INSTITUTE FOR
TELECOMMUNICATION
EDUCATION, CORP.,
PAUL B. KRAVITZ,
HANK ROSS, FRANK FISHMAN,
BUD FELL, and BRAD BERMAN,

STATEMENT OF STAFF ALLEGATIONS
and PETITION FOR ORDER OF
PROHIBITION AND REVOCATION

Respondents.

File No. S-00263 (EX)

The staff of the Enforcement Unit, Registration & Enforcement Section, of the Division of Securities, Department of Financial Institutes, 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. National Institute for Telecommunication Education, Corp. (hereinafter referred to as "NIFTE") is a foreign business entity with known business address of 2501 Davie Road, Suite 230, Davie, FL 33317;
2. Paul B. Kravitz (hereinafter referred to as "Kravitz") is an adult male individual who upon information and belief has at all times material hereto been Chairman, Chief Executive Officer, and a director of NIFTE, and a controlling person of NIFTE, with a last known business address as that of NIFTE;
3. Hank Ross, Frank Fishman, Bud Fell, and Brad Berman (hereinafter referred to as "Ross," "Fishman," "Fell," and "Berman," respectively) are adult male individuals who at all times material hereto have represented NIFTE and Kravitz in offering securities of NIFTE to persons in Wisconsin as described hereinafter, with a last known business address as that of NIFTE;
4. During the period of at least 2000 and 2001, Hank Ross on behalf of NIFTE and Kravitz offered to at least two persons in Wisconsin, and each of Fishman, Fell, and Berman on behalf of NIFTE and Kravitz offered to at least one person in Wisconsin in 2001, common stock of NIFTE by telephonic or mailed solicitations, or both;
5. The shares of common stock of NIFTE are "securities" as that term is defined and used in Ch. 551, Wis. Stats., the Wisconsin Uniform Securities Law;
6. The securities referenced in Paragraphs 4 and 5 above have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
7. All the Respondents named herein have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin as set forth in Paragraphs 4 through 6 above;
8. In connection with the offers of the securities described above, Ross, Fishman, Fell, and Berman, and each of them, transacted business in Wisconsin as a securities "agent" for NIFTE and Kravitz, as that term is defined by sec. 551.02(2), Wis. Stats.;
9. At no time has Ross, Fishman, Fell, or Berman been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

10. Ross, Fishman, Fell, and Berman, and each of them, has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license as set forth in Paragraphs 4 through 9 above;

11. NIFTE and Kravitz have violated sec. 551.31(2), Wis. Stats., by employing unlicensed securities agents to represent them in Wisconsin as set forth in Paragraphs 4 through 9 above;

12. Certain offering material sent to offerees in Wisconsin during the offers described in Paragraphs 4 through 11 above state that Kravitz “took [“a private food”] company public in August 1992...” and “after the two founders of the company were found to have committed acts detrimental to the company...and were sued by its shareholders,” Kravitz, “as a result of protecting the company and its shareholders, and without admitting or denying any wrongdoing,” “accepted a consent injunction and civil penalty of \$25,000,” other offering documents simply state that Kravitz has been an active participant in the business world for over 40 years, has been in top management positions of over a dozen public and private companies,

13. The offering materials fail to state that Kravitz was sued in an injunctive action by the United States Securities & Exchange Commission (hereinafter referred to as the “S.E.C.”) charging him and others with securities fraud in connection with the 1992 offering of the securities of Apple Tree Companies, Inc., and with making fraudulent periodic filings with the S.E.C. during 1992 and 1993, and with providing Apple Tree’s independent accountants with false information which caused Apple Tree to fail to make and keep accurate books and records, or that on November 26, 1996, a judgment of permanent injunction and other relief was entered against Kravitz in that action by the United States District Court for the Southern District of Florida.

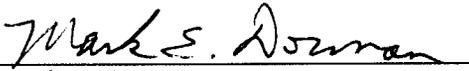
14. During the offers described in Paragraphs 4 through 12 above, Ross and Fishman on behalf of NIFTE and Kravitz used the sales technique of claiming that the common stock of NIFTE was about to go public at a substantially higher price than the price at which the stock was then being offered to the persons in Wisconsin, claiming variously that the stock was being registered with the S.E.C. for public offering and that it was about to be listed for public trading on the NASDAQ, and Ross did so in both 2000 and 2001 without disclosing in his offers in 2001 that he had made such claims in 2000 and such claims had not materialized, and Ross and Fishman made such claims without basis in fact for making such claims as to immediate price appreciation;

15. NIFTE and Kravitz, and Ross, Fishman, Fell, and Berman of behalf of NIFTE and Kravitz, in causing the delivery of offering materials to persons in Wisconsin as set forth in Paragraphs 12 and 13 above, have violated sec. 551.41(2), Wis. Stats., by omitting to state material facts 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 of securities to persons in Wisconsin as set forth hereinabove;

16. NIFTE and Kravitz, and Ross and Fishman on behalf of NIFTE and Kravitz, in making the representations described in Paragraph 14 above, have violated sec. 551.41(2), Wis. Stats., by omitting to state material facts 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 of securities to persons in Wisconsin as set forth hereinabove;

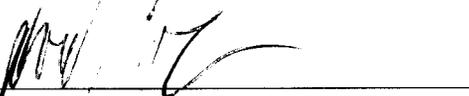
16. The Staff mailed letters of inquiry, concerning the matters referenced herein, to NIFTE and to Ross on April 18, 2001, and again to Ross, and to Fell and Berman, on May 14, 2001, and have received no response to any of such letters;

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
Examiner
Enforcement Unit

11-16 - 2001



David A. Cohen,
Supervising Attorney
Enforcement Unit

11/16 2001