

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

In the Matter of
FIRST HARVEST (TEXAS), INC.,
FAZIL TALEON, and
SANDRA S. SULLIVAN

PETITION FOR ORDER

Respondents.

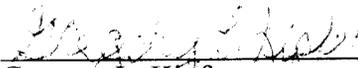
File No. S-00158(EX)

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:

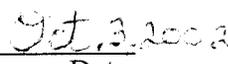
1. First Harvest (Texas), Inc. ("First Harvest") is a business entity with a last known address of Galleria Financial Center, 5065 Westheimer, Suite 1133, Houston, Texas 77056.
2. Fazil Taleon ("Taleon") is an individual who at all time material hereto has been "President" of First Harvest (Texas), Inc., with a last known business address at that of First Harvest.
3. Sandra S. Sullivan ("Sullivan") (DOB: 5/10/41) is an individual who at all times material hereto has been an agent of First Harvest and Taleon, with a last known home address of N5104 Highway 12, Mauston, Wisconsin 53948.
4. Smartrend Financial Consultant Limited ("Smartrend") is a business entity with an address of Rua Da Pequin No. 202A-246, Macau Finance Centre, 5 Andar K, Macau.
5. During the period of March 1, 2000, to November 30, 2000, Sullivan, on behalf of First Harvest and Taleon, offered and sold to at least two persons in Wisconsin foreign currency investments of Smartrend.
6. According to the offering materials, agents such as Sullivan are "contracted by First Harvest to market and trade their client's accounts." These agents "participate in an exclusive two-month in house workshop program provided by First Harvest."
7. The Smartrend Customer Agreement provides significant disclosure relating to having the First Harvest agent make recommendations and trade in the customer's account. The Agreement also provides a Limited Power of Attorney to allow the agent to trade in the customer's account.
8. Upon information and belief, investors can play a passive role in investing with Smartrend with no duties and responsibilities and rely on the First Harvest agent to make the decisions and execute the transactions in the account.
9. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential management efforts of others, the foreign currency investments offered and sold by Sullivan 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.

10. The investment contracts referred to above have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
11. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.
12. In connection with the offer and sale of securities described above, Sullivan transacted business in Wisconsin as an "agent" for First Harvest and Taleon, as that term is defined by sec. 551.02(2), Wis. Stats.
13. At no time has Sullivan been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
14. Sullivan has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
15. First Harvest and Taleon have violated sec. 551.31(2), Wis. Stats. by employing an unlicensed agent to represent them in Wisconsin.

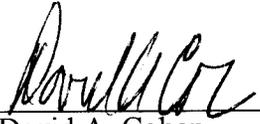
Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.



Gregory L. Kipfer
Examiner
Enforcement Unit



Date



David A. Cohen
Supervising Attorney
Enforcement Unit



Date