

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

In the Matter of
INTERNATIONAL FUNDING ASSOCIATION,
JOHN S. WESTON,

PETITION FOR ORDER

Respondents.

File No. S-02078(EX)

The staff of the Bureau of Registration & Enforcement, 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. International Funding Association ("IFA") is a foreign business entity with last known business addresses at 4212 W. Cactus Road, Suite 1110-159, Phoenix, Arizona 85051, and East Bay Shopping Center, PO Box N-1836, Suite B-35, Nassau, Bahamas;
2. John S. Weston ("Weston") is an individual who is the owner and operator of IFA with a last known address of 5409 Overseas Highway, #308, Marathon, Florida 33050;
3. During the period of 1999, IFA and Weston offered and sold to at least one person in Wisconsin interests in "memberships" of IFA;
4. Upon information and belief, "members" are to receive certain interest on money invested with IFA during the first six months after investing, with the interest and principle doubling in value in six months, and again at nine months, from the date of investment;
5. Pursuant to the offering materials received by the person in Wisconsin, "Members entered into certain Property Exchange Agreements with management where personal property was delivered to management to be placed in 'For Profit' endeavors on behalf of member. ...";
6. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities;
7. Upon information and belief, each investor will not be involved in the day-to-day management of IFA, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties;
8. 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 "memberships" offered 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.;
9. The IFA investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
10. IFA and Weston have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin;
11. On March 20, 1998, the State of Idaho issued a Cease and Desist Order against International Funding Association for the offer or sale of unregistered securities in Idaho;

12. On April 10, 1998, the State of Alabama issued an Administrative Order against International Funding Association for the offer or sale of unregistered securities in Alabama;

13. On May 13, 1999, the State of South Dakota issued a Cease and Desist Order against International Funding Association for its failure to provide documents and complete information as requested;

14. In connection with the offer of the securities described in Paragraph 3 above, the Respondents omitted to disclose the issuance of the orders referred to in Paragraphs 11-13;

15. All Respondents 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; and

16. Staff of the Bureau of Registration & Enforcement wrote to IFA with a letter dated April 24, 2002, for information and documents concerning their securities-related transactions with persons in Wisconsin, but to date has had no response.

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

 6-18-02

Mark E. Dorman Date
Examiner

 6/19/02

David A. Cohen Date
Supervising Attorney