

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

In the Matter of  
VITO R. LOMONACO,

PETITION FOR ORDER

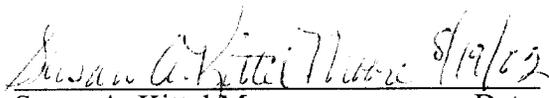
Respondent.

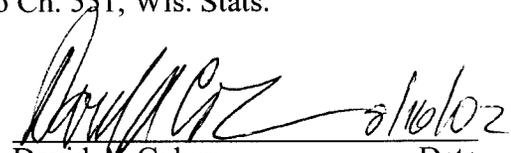
File No. S-00001(EX)

The staff of the Enforcement Unit, Bureau of Registration & Enforcement, 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. Precious Stones Trading Worldwide Inc. ("Precious Stones") is a foreign business entity with a last known business address of 225 Broadway, Ste. 1905, New York, NY 10005.
2. Ruslan B. "Russell" Rapoport (DOB 4/27/74; CRD #2265953) ("Rapoport") is an individual who at all times material hereto has been the promotor, beneficial owner, president, and chief executive officer of Precious Stones, with a last known business address at that of Precious Stones.
3. Vito R. Lomonaco (DOB 11/1/68; CRD #2159938) ("Lomonaco") is an individual who at all times material hereto has been an agent of Precious Stones and Rapoport, with a last known business address at that of Precious Stones and last known residence addresses of 2534 Wilson Ave., Bronx, NY 10469 and 3035 LaSalle Ave., Bronx, NY 10461.
4. During the period of 1998, Lomonaco, on behalf of Precious Stones and Rapoport, offered and sold to at least one person in Wisconsin the common stock of Precious Stones.
5. The common stock of Precious Stones is a security as defined by sec. 551.02(13), Wis. Stats., and has never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
6. Lomonaco has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.
7. On August 16, 2000, Rapoport was indicted in Case No. 00-CR-856 in the U.S. District Court for the Southern District of New York on charges of mail and wire fraud and conspiring to commit securities fraud in connection with the securities-related activities of Precious Stones.
8. On June 25, 2001, in connection with a different matter, the National Association of Securities Dealers barred Lomonaco from association with any member firm in any capacity.

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.

  
Susan A. Kittel Moore      Date  
Legal Assistant  
Enforcement Unit

  
David A. Cohen      Date  
Supervising Attorney  
Enforcement Unit