

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

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In the Matter of  
FXTRADE FINANCIAL, LLC, and  
GORDON J. VANDEVELD,  
Respondents.

PETITION FOR ORDER

File No. S-04150(EX)

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The staff of the State of Wisconsin Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. FxTrade Financial, LLC (“FxTrade Financial”) is a foreign business entity, Tennessee Limited Liability Company, with a last known business address of 318 Ridge Lake Boulevard, Suite 300, Memphis, Tennessee 38125.
2. Gordon J. Vandeveld (“Vandeveld”) is an individual who at all time material hereto has been an agent of FxTrade Financial, with a last known home address of 1731 F Wildberry Drive, Glenview, Illinois 60025, and a last known business address of 1765 Maple Street, Suite 10, Northfield, Illinois 60093.
3. During February 2004 and March 2004, Vandeveld, on behalf of FxTrade Financial, offered and sold interests in FxTrade Financial to at least one person in Wisconsin.
4. Vandeveld, on behalf of FxTrade Financial, offered and sold interests in a “business loan” to at least one Wisconsin investor.
5. The “business loan” as described in Paragraph 4 is an “investment contract” and therefore a “security” as that term is defined in sec. 551.02(13), Wis. Stats.
6. The security offered and sold by the Respondents in Wisconsin has never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
7. All Respondents have violated sec. 551.21(1), Wis. Stats. by offering unregistered securities in Wisconsin.
8. In connection with the offer described above, Vandeveld transacted business in Wisconsin as an “agent” for FxTrade Financial as that term is defined by sec. 551.02(2), Wis. Stats.
9. At no time relevant was Vandeveld licensed in Wisconsin as a securities agent pursuant to Ch. 551, Wis. Stats.
10. Vandeveld has violated Sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as an unlicensed securities agent.
11. FxTrade Financial has violated sec. 551.31(2), Wis. Stats., by employing an unlicensed securities agent to represent them in Wisconsin.

12. On 8/4/2004, the State of Illinois Securities Department issued an Order of Prohibition against Vandeveld based on allegations of securities violations.

13. In 2004, the State of Illinois Securities Department issued an Order of Prohibition against FxTrade Financial on allegations of securities violations.

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

  
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Gregory L. Kipfer  
Examiner  
Enforcement Unit

9/10/04  
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Date

  
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David A. Cohen  
Supervising Attorney  
Enforcement Unit

9/16/04  
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Date