

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

In the Matter of
INVESTORS FREEDOM CLUB, LC dba
VENTURE FREEDOM FUND LTD. and
VENTURE FREEDOM FOUNDATION,
H S D INTERNATIONAL, LLC,
WILLIAM ANTHONY FOLINO,
TINA N. FOLINO, PETER J. MATUCH, and
CRIS F. LOSEY,

PETITION FOR ORDER

Respondent.

File No. S-04173(EX)

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. Investors Freedom Club, LC dba Venture Freedom Fund Ltd. and Venture Freedom Foundation ("IFC") is an inactive Florida limited liability company with a last known business address of 2519 McMullen Booth Rd., Ste 191, Clearwater, FL 33761.
2. HSD International LLC ("HSD") is an inactive Florida limited liability company with a last known business address of c/o William A. Folino, 695 Old East Lake Rd., Tarpon Springs, FL 34689.
3. William Anthony Folino (DOB 3/30/55) ("W. Folino") is an individual who at all times material hereto has been a principal and controlling person of IFC, with a last known residence address of 695 Old East Lake Rd., Tarpon Springs, FL 34689.
4. Tina N. Folino ("T. Folino") is an individual who at all times material hereto has been a principal and controlling person of IFC and HSD, with a last known residence address of 695 Old East Lake Rd., Tarpon Springs, FL 34689.
5. Peter J. Matuch (DOB 5/7/69) ("Matuch") is an individual who at all times material hereto has been a principal and controlling person of HSD, with a last known residence address of 4949 Marbrua Dr., #H201, Tampa, FL 33624.
6. Cris F. Losey ("Losey") is an individual who at all times material hereto has been a principal and controlling person of HSD, with a last known residence address of 695 Old East Lake Rd., Tarpon Springs, FL 34689.
7. During the period from December 2000 through at least October 2002, W. Folino, on behalf of IFC, W. Folino, and T. Folino, offered and sold to at least four persons in Wisconsin memberships in IFC, in which their funds were to be pooled with that of others and invested by W. Folino in the foreign currency exchange ("forex") market.
8. Upon information and belief, members of IFC can play a passive role in the company with no duties and responsibilities.
9. Upon information and belief, each investor will not be involved in the day-to-day management of IFC, 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.

10. 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 and sold by IFC, W. Folino and T. Folino 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.
11. The IFC investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
12. During February 2003, W. Folino, on behalf of HSD, W. Folino, T. Folino, Matuch and Losey, offered and sold to at least one person in Wisconsin what he represented to be an investment in the ("forex") market.
13. Buying and selling options contracts in foreign currency outside of markets designated by 7 USC 7 constitutes the offer and sale of securities, pursuant to Wis. Stat. §551.02(13).
14. The securities offered and sold by the Respondents in Wisconsin have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
15. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.
16. On May 30, 2001, the State of Pennsylvania issued a Cease and Desist Order against IFC based on securities law violations.
17. On January 13, 2003, the United States District Court for the Middle District of Florida, Tampa Division, granted a request by the U.S. Commodities Futures Trading Commission ("CFTC") for a Temporary Restraining Order ("TRO") against IFC and W. Folino in Case No. 03-CV-54.
18. The TRO was based on a Complaint by the CFTC containing allegations that the Defendants misappropriated funds obtained from retail customers for trading in the forex market.
19. In connection with the offer and sale of the securities described in Paragraph 7, the Respondents omitted to disclose the issuance of the Cease and Desist Order referred to in Paragraph 16.
20. In connection with the offer and sale of the securities described in Paragraph 12, the Respondents omitted to disclose the issuance of the Cease and Desist Order and the TRO referred to in Paragraphs 16 and 17.
21. 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.
22. On July 8, 2004, Matuch began a one-year term of probation through the Florida Department of Corrections after having been convicted of one felony count of issuing worthless checks.

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.

 9/9/04
 Susan A. Kittel Moore Date
 Securities Examiner
 Bureau of Registration & Enforcement

 9/9/04
 David A. Cohen Date
 Supervising Attorney
 Bureau of Registration & Enforcement