

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

In the Matter of
I-TRADEDIRECT.COM CORP.,

PETITION FOR ORDER

Respondent.

File No. S-03165(LX)

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. I-TradeDirect.com Corp. (BD#18281) ("ITDC") is a Wisconsin-licensed broker-dealer with a last known business address of 5340 N. Federal Hwy., Ste. 106, Lighthouse Point, FL 33064.
2. ITRADEnow.com Corp. ("ITNC") is a foreign business entity, which is the parent company of ITDC, with a last known business address at that of ITDC.
3. Martin J. Clancy, Jr. (DOB 8/4/51; CRD #1241023) ("Clancy") is an individual who at all times material hereto was Vice President of both ITNC and ITDC, and the designated compliance officer of ITDC, with a last known residence address of 7775 Stanway Pl W, Boca Raton, FL 33433.
4. Lazar A. Kauderer (DOB 5/26/74; CRD #4292055) ("Kauderer") is an individual who at all times material hereto was a COO of ITNC, and an NASD-registered representative of ITDC.
5. During May, 2003, Kauderer, while registered as an agent of ITDC, on behalf of ITNC, offered, but did not sell, the private placement preferred stock of ITNC to at least one person in Wisconsin.
6. The stock of ITNC 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., and does not qualify for an exemption from registration.
7. ITNC and Kauderer violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
8. In connection with the offer of the securities described above, Kauderer transacted business in Wisconsin as an "agent" for ITNC, as that term is defined by sec. 551.02(2), Wis. Stats.
9. At no time material hereto has Kauderer been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
10. Kauderer violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
11. ITNC violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.
12. On January 23, 2003, Kauderer entered a plea of guilty to one count of conspiracy to defraud the United States - mail fraud and wire fraud in the U.S. District Court, Southern District of Florida (Ft. Lauderdale), Case #: 02-CR-60049, USA v. Graziano, et al.

