ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:) Louis H. Rivas and The FOREX Project, Respondents.) ORDER TO CEASE AND DESIST) File No. 08008) Respondents.

WHEREAS, the Securities Division of the Office of the Attorney General of the State of

Smith Canaling (the "Division") number to authority mented in the South Caroline I Inform

Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2007), on or about March 13, 2008, received information regarding activities of Louis H. Rivas ("Rivas") and The FOREX Project ("Forex") which could constitute violations of the Act;

WHEREAS, the information led the Division to open and conduct an investigation of

FACTUAL HISTORY

1. Respondent Rivas is a Tennessee resident.

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- 2. Upon information and belief, Respondent Forex is a sole proprietorship. Upon information and belief, Respondent Forex is not registered with the Secretary of State's office of any state.
- Upon information and belief, the primary business address for Respondents during the time period of the violations alleged herein was 6031 Century Oaks Drive, Chattanooga, Tennessee 37416.
- Upon information and belief, Respondents' South Carolina business address was 333
 South Pine Street, Spartanburg, South Carolina, 29302.

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- Upon information and belief, offerees were told that if they chose to place money in the Promissory Note Option their principal would be guaranteed.
- 10. Upon information and belief, offerees were also told that if they placed money under the Promissory Note Option they would receive a five thousand dollar (\$5,000.00) credit which would be added to the amount the offeree invested to determine the principal amount of the promissory note.
- 11. Offerees were told that if they invested pursuant to the Promissory Note Option they were guaranteed a rate of return of (5%) a month on their principal after an initial delay of three months from the date of investment, and that the five percent (5%) a month return

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promised were not received by the investors.

12. Offerees were told that the Investment Opportunity was for a period of thirty-six months and, that, at the end of this period, the Respondents would return the full amount of the

Upon information and belief, the trading accounts at Interbank are the only accounts 16. Poppandanta used during the named for foreign summary anahones and/or trading _____ -17. Respondents, operating in and from the State of South Carolina, offered the Investment 2 . .1 11 T Ĩ.

25. On or about June 6, 2008, the subpoena was returned unopened.

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26. Respondent Rivas did not appear on June 10, 2008, to discuss the Investment Opportunity or other business he was conducting and has not made contact with Division

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mant to S. Code Ann 8.25 1 102 (17) and subject to listed avantions

"[i]ssuer" means a person that issues or proposes to issue a security.

35. Pursuant to S.C. Code Ann. § 35-1-102 (2), an "[a]gent" means an individual, other than a broker-dealer who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities, or represents an issuer in effecting or attempting to effect

purchases or sales of the issuer's securities.

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36. Pursuant to S.C. Code Ann. § 35-1-402 (a), it is unlawful for an individual to transact business in this State as an agent unless the individual is registered under the Act as an

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| | may be issued after the hearing that may make final, vacate, or modify the order |
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| | issued under S.C. Code Ann. § 35-1-604(b). |
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| | Commissioner may impose a civil penalty in an amount not to exceed ten |
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| | thousand dol lars (\$10,000) for each violation of the Act. |
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to represent an issuer in or from this State, offered and sold securities in and from this State.

d. Respondent Forex violated S.C. Code Ann. § 35-1-402(d) when Respondent Forex, while engaged in offering, selling or purchasing securities in this State, employed or associated Respondent Rivas to transact business on hehalf of

Respondent Forex while Respondent Rivas was not registered to offer or sell securities in or from the State of South Carolina, or to represent an issuer in or from this State.

- e. Neither Respondent has asserted to the Division any claim of exemption from registration, either on his own behalf or on behalf of the security.
- f. Respondents violated S.C. Code Ann. § 35-1-501 and engaged in securities fraud

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use of the investor's funds and/or the nature of the Respondents' business;

iii. Misrepresented their qualifications and omitted to state a material fact about Respondent Rivas' qualifications, that Respondent Rivas

had many installer have a second of a second time from the

- iv. Stated to investors the investors would receive a guaranteed rate of return when the Respondents, who knew the intended use of the investors' funds, knew the use would not generate the expected returns; and
- v. Published, circulated, and distributed materials and/or statements which contain untrue statements of material fact or which are

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unethical business practices in violation of S.C. Code Ann. § 35-1-501 (Supp. 2008); and

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d. Pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) and costs of

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for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR

SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL

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