

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

UNIQUE FINANCIAL SERVICES, INC.,

STEVEN SILVERSTEIN and ALL

PERSONS IN CONTROL OF,

EMPLOYED BY OR OTHERWISE

CEASE AND DESIST ORDER

AFFILIATED WITH THOSE PERSONS

OR ENTITIES

ORDER NO 98-059-S

CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (the Staff) has received information and has in its possession certain evidence which indicates that UNIQUE FINANCIAL CONCEPTS, INC. (Unique), STEVEN SELVERSTEIN (Silverstein), as well as others whose identities are not yet known who are in positions of control of Unique and who are employed by or otherwise affiliated with Unique, directly or through other companies, have violated provisions of the Arkansas Securities Act (the Act), which is codified at Ark. Code Ann. § 23-42-101, *et seq.* (Repl. 1994).

FINDINGS OF FACT

1. Unique is a Florida corporation with a business address of 900 North Federal Highway, Suite 300, Boca Raton, Florida 33432.
2. Silverstein is an agent of unique, whose last known address was 3785 North Federal Highway, Third Floor, Boca Raton, Florida 33431.
3. Unique, through Silverstein, marketed interests in a purported foreign currency trading program involving options on foreign currency through a foreign currency market. Silverstein solicited these investors by telephone solicitations. Investors would buy options to buy or sell foreign currencies or would invest money that purportedly would be used to buy foreign currency in the investor's name, which the investor was told would be sold at a profit.
4. On or about 23 July 1998 Silverstein persuaded an Arkansas resident to open an account with Unique. The account was opened with an investment of \$4,000, and the investor has lost roughly half of that amount so far.
5. Claiming that its business was not the buying and selling of securities, Unique in written information given the Arkansas investor by Silverstein stated that it was not registered with the United States Securities and Exchange Commission (SEC) or any state securities administrator
6. There are no securities of any kind registered with the Arkansas Securities Department (the Department).

7. Unique is not registered with the Department as a broker-dealer.
8. Silverstein is not registered with the Department as a registered representative of any broker-dealer.
9. In communications with the Arkansas resident who invested in this program, neither Unique, nor Silverstein informed the Arkansas resident that the SEC obtained an order in federal district court for the Southern District of Florida (Miami) freezing Unique's assets and a temporary restraining order on 23 October 1998 and a preliminary injunction on 9 November 1998. It was not disclosed that the SEC alleged in its complaint that there had been no evidence found of any actual currency trading and that Unique exhibits the hallmarks of a Ponzi scheme.

CONCLUSIONS OF LAW

10. Ark. Code Ann. § 23-42-102(15)(A)(xi) (Supp. 1997) defines a security as, *inter alia*, an investment contract.
11. Ark. Code Ann. § 23-42-501 (Repl. 1994) provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act.
12. Ark. Code Ann. § 23 -42-3 0 1 (a) (Repl. 1994) prohibits as unlawful the transaction of business as a broker-dealer or an agent of a broker-dealer by any person who is not registered with the Department as such.
13. Ark. Code Ann. § 23-42-507(2) (Repl. 1994) provides that it is unlawful for any person in connection with the offer or sale of any security to make any untrue statement or omission of a material fact.

OPINION

14. This matter has been properly brought before the Arkansas Securities Commissioner in accordance with Ark. Code Ann. §§ 23-42-201 and 209 (Repl. 1994).
15. The respondents have offered to sell investment contracts without prior registration of those securities or the persons and entities offering to sell them in violation of Ark. Code Ann. § 23-42-501 (Repl. 1994).
16. Unique and Silverstein offered to sell and sold securities in the form of interests in a purported foreign currency trading program without being registered with the Department as a broker-dealer or the agent of a broker-dealer in violation of Ark. Code Ann. § 23-42-301(a) (Repl. 1994).
17. The respondents failed to inform Arkansas investors that the SEC had taken action against Unique in federal court in Miami and alleged that it was a Ponzi scheme. The failure to inform investors was the omission of a material fact in violation of Ark. Code Ann. § 23-42507(2) (Repl. 1994).
18. Pursuant to Ark. Code Ann. § 23-42-209(a)(1) (Supp. 1997), the Arkansas Securities Commissioner can and should order the respondents to immediately cease and desist from the further solicitation and sale of the securities described above, to immediately cease and desist from the collection of additional funds from any current investors and to immediately cease and desist from further violations of the Arkansas Securities Act,
19. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that UNIQUE FINANCIAL CONCEPTS, INC., STEVEN SILVERSTEIN, as well as others whose identities are not yet known who are in positions of control of Unique and who are employed by or otherwise affiliated with Unique, directly or through other companies, **CEASE AND DESIST** from any further actions in the State of Arkansas in connection with the offer and sale of the securities described above until such time as the securities are properly registered or exempted from registration pursuant to the Arkansas Securities Act and the persons offering them for sale are properly registered pursuant to the Arkansas Securities Act.

WITNESS MY HAND AND SEAL this 13th day of November, 1998.

MAC DODSON

SECURITIES COMMISSIONER