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KENNETH W. ANDERSON, JR.
MEMBER

SSB Docket No. 99-044

IN THE MATTER OF STEPHENSON
INVESTMENT OPPORTUNITIES
AND JOSEPH E. STEPHENSON

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§

Order No. CP-1373

TO: Stephenson Investment Opportunities
1423 Stagecoach Drive
Richardson, Texas 75080

Joseph E. Stephenson
1423 Stagecoach Drive
Richardson, Texas 75080

CEASE PUBLICATION ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an ORDER TO CEASE PUBLICATION pursuant to Section 23.B of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 1999) ("Texas Securities Act") of materials published and disseminated within the State of Texas relating to the offer for sale and sale of securities.

1. The Staff of the Enforcement Division of the Texas State Securities Board ("Staff") has presented evidence sufficient for the Securities Commissioner to find that Stephenson Investment Opportunities ("Respondent SIO") and Joseph E. Stephenson ("Respondent Stephenson") (collectively "Respondents"), have made offers for sale of securities which contain statements that are materially misleading or are otherwise likely to deceive the public.
2. The Staff has presented evidence sufficient for the Securities Commissioner to find that Respondents placed, or permitted to be placed, an advertisement on the Internet, located at website "<http://www.stepio.com>, and sites related thereto, which seeks to sell evidences of indebtedness and/or investment contracts. Among the programs offered is one entitled "European Bank Debenture Forfeiting" at www.stepio.com/hiyield.htm. The investment is described on the site as a "Leveraged High Yield Investment" and seeks investments of \$10,000 or greater.

Anticipated returns are stated to be 3.75% per month through a program for the "blocking" of funds. The investment program is described as follows on the site:

"Everyday in Europe there are transactions arranged and completed among "Traders", also known as "Principals" or "Providers", and "Prime Banks", or "Money Center Banks", based on currency exchanges. This trading is known as "FOREX" trading or "Bank Debenture Forfeiting". (Suggestion - Go to an Internet search engine such as Infoseek and search on "Forex".) Normally, this is done in blocks ranging from \$10,000,000 to \$100,000,000 so naturally the vast majority of us are not involved and probably few of us know that this activity even exists. It is a well regulated activity coming under ICC 500 and 600 of the International Chamber of Commerce, but the industry is also extremely guarded and confidential.

Since blocks of \$10,000,000 and more are hard to obtain, the traders will often use a select group of entities (herein referred to as "blockers") throughout the world to "block" funds in increments of \$5,000,000 to make up the required amount. To make it even more interesting, the \$5,000,000 is generally always created from "leveraged" funds. So as an example, if a group of businessmen wished to make a very large contribution, they could simply raise the necessary funds (e.g. \$400,000 at one of many sources available to Stephenson Investment Opportunities), plus some minor expenses, and leverage this into \$5,000,000 to invest in the trading program. It must be absolutely clear that these investments are 100% at risk. These "contracts" usually last "a year and a day". To be sure, the entities that block the funds make a very good profit, but the upside is that the proceeds to the "investor" are potentially excellent as compared to the stock market. There is risk and any projection of potential profit is based on very confidential historical records. Past performance of these traders is no guarantee that any future transactions will produce these very high yields. All the firms through which Stephenson Investment Opportunities ("SIO") could place funds will all state that past performance is absolutely no guarantee of current or future returns.

A SAMPLE TRANSACTION AND POTENTIAL PROFIT

Below is an example of one of several investment programs that are available to Stephenson Investment Opportunities:

Given a leveraged investment amount of \$5,000,000 and a dividend of 3.75% compounded and re-invested monthly then the potential gross proceeds at the end of the year, available after the "blockers" deducts his potential profit, could easily be over \$7,500,000.

Potential Gross proceeds	\$7,500,000
From this amount repay the leveraged credit line advance	\$5,000,000
Gross profit from Operations	\$2,500,000
From this amount deduct the "investment" to be returned to investors	\$400,000
Profit to Stephenson Investment Opportunities for management of funds	\$100,000
Net available to donate to the charities in the name of the investors	\$2,000,000

DETAILS OF THE INVESTMENT

In addition to the \$400,000 investment requirement, Stephenson Investment Opportunities will reserve \$10,000 to cover meeting costs, \$5,000 for estimated travel costs, and \$10,000 for other legal costs. This makes the total requirement \$450,000, however, on a pro rata basis, "investors" will get credit for only investing \$400,000 and \$50,000 is non-refundable. Investors need to make their check for the "Investment Amount" x 1.125 for the "Investment Amount with overhead costs". A minimum investment is \$10,000. (For example, a minimum investment of \$10,000 requires a check written for \$11,250.) There is no "standard" gift. No checks will be accepted until the sum of all commitments totals \$450,000. At the time that a commitment for \$450,000 has been made, a decision will be made as to the best legal entity to use (e.g. a 501(c)(3) foundation, Texas corporation, Nevada corporation, partnership, L.L.C. or L.L.P.) and which law firm to use to create the legal entity. Stephenson Investment Opportunities would like to have all commitments by July 31, 1999 and receive all funds by August 31, 1999. When the required \$450,000 has been deposited in Comerica Bank in an interest-bearing account, then the process will begin.

Stephenson Investment Opportunities will be the SOLE contact with the "blocker". Stephenson Investment Opportunities will not divulge the names or the amounts invested by any entity or individual. All effort by Stephenson Investment Opportunities, the "blocker", and the "blocker's" trading house will be on a "best efforts basis". Any amount returned at the end of the contract term over the \$5,000,000 leveraged credit line, the original \$400,000 investment, and the \$2,000,000 donation to the investor's designated charities will be a profit to Stephenson Investment Opportunities. Should the amount of funds available for a donation to the various charities be less than

\$2,000,000, then Stephenson Investment Opportunities would earn no profit whatsoever.

Yes, your math is correct! A \$400,000 investment could possibly create \$2,000,000 for donations to the designated charities. This is a potential for a five-fold increase of funds in one year!

WHAT TO DO NEXT

If you are interested and fully understand that these invested funds are completely and totally at risk, please contact Joe Stephenson at 972-907-1547 or send an e-mail to jestep@stepio.com."

4. The Staff has presented evidence sufficient for the Securities Commissioner to find that Respondents engaged in the offer for sale of securities in the State of Texas.
5. The Staff has presented evidence sufficient for the Securities Commissioner to find that Respondents are not registered to offer and sell securities as required by the provisions of the Texas Securities Act.
6. The Staff has presented evidence sufficient for the Securities Commissioner to find that the securities offered by Respondents were not registered as required by the provisions of the Texas Securities Act.
7. The Staff has presented evidence sufficient for the Securities Commissioner to find that, in connection with the offer for sale of securities within the State of Texas, relating to the offer of the above-referenced securities, Respondent made statements that are materially misleading or are otherwise likely to deceive the public, to wit:
 - a. The above-referenced website indicates that "Normally, this is done in blocks ranging from \$10,000,000 to \$100,000,000 so naturally the vast majority of us are not involved and probably few of us know that this activity even exists. It is a well regulated activity coming under ICC 500 and 600 of the International Chamber of Commerce, but the industry is also extremely guarded and confidential". This is misleading in that the ICC has issued a press release specifically indicating that references to ICC Publication 500 in "Bank Debenture Trading Programmes" are false and misleading and that, in fact, such a trading programme "does not exist". Additionally, the ICC has indicated that such solicitations are "fraudulent" and have claimed "tens of millions of dollars from victims worldwide".
 - b. The said reference to the ICC is also misleading because it fails to disclose that the ICC has issued a Special Report on Prime Bank Instrument Frauds, specifically describing programs with most of the same characteristics as the program being offered by Respondents and described herein as "fraudulent". Moreover, the United States Securities & Exchange Commission has

repeatedly announced that such prime bank and debenture trading programs are non-existent and fraudulent.

- c. The said offering fails to disclose who the offeror will provide the investor funds to and what safeguards will be utilized to protect the funds from loss.

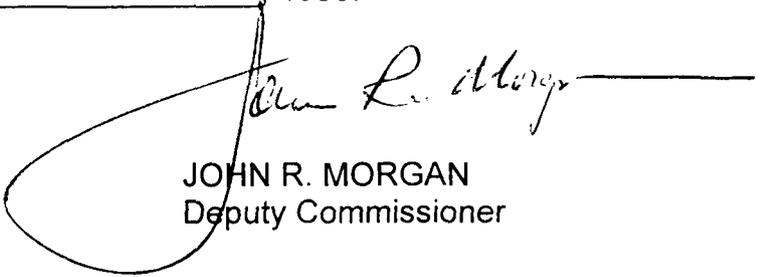
The Securities Commissioner hereby FINDS and is of the opinion that the evidence presented by the Staff shows that, in connection with the offer for sale and sale of securities, the sales materials used by Respondents contain statements that are materially misleading or are otherwise likely to deceive the public.

The Securities Commissioner further FINDS and is of the opinion that the evidence presented by the Staff demonstrates sufficient proof of grounds necessary for the issuance of an ORDER TO CEASE PUBLICATION as provided by Section 23.B of the Texas Securities Act.

ORDER

It is therefore ORDERED by the Securities Commissioner, pursuant to Section 23.B of the Texas Securities Act, that Stephenson Investment Opportunities and Joseph E. Stephenson CEASE PUBLICATION, dissemination and use of advertisements and sales materials that are materially misleading or otherwise likely to deceive the public, including, but not limited to, those materials that relate to the above-referenced offers for sale of securities issued by Respondents and any advertisements or sales materials substantially similar thereto in connection with the offer for sale or sale of securities within the State of Texas.

Dated this 29th day of October 1999.


JOHN R. MORGAN
Deputy Commissioner