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### State Securities Board

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KENNETH W. ANDERSON, JR.  
MEMBER

**SSB Docket No. 00-018**

IN THE MATTER OF  
TRI-WEST INVESTMENT CLUB AND  
JASON KINGSLEY

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§  
§

**Order No. CP-1398**

TO: Tri-West Investment Club  
East Bay Shopping Center  
East Bay Street, Suite A-216  
Nassau, Bahamas

Tri-West Investment Club  
1605B Pacific Rim Ct., Suite MX 78-204  
SAN DIEGO, CA 92154

Jason Kingsley  
1605B Pacific Rim Ct., Suite MX 78-204  
SAN DIEGO, CA 92154

### 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. 2000) ("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 Tri-West Investment Club and Jason Kingsley (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://trinvest.com>", and sites related thereto,

which seeks to sell evidences of indebtedness and/or investment contracts. The program offered is a "bank debenture trading program" and a "member referral program" paying bonuses for recruiting into the bank debenture trading program. The investment is described on the site as a "guaranteed high return investment" and seeks investments of \$1,000 or greater.

Anticipated returns are stated to be 10% per month of the total investment. The investment program is described on the site, a substantial portion of which is herein below excerpted:

**"Tri-West Investment Club** is a worldwide private membership club formed to assist members in investing offshore-showing a good return on investment with a minimal of risk.

Tri-West was formed in 1995 by a small group of investors to invest in leveraged bond purchases. This is a rather complicated investment vehicle, normally only available to large investors, in which the investor can purchase large bond offerings and sell the purchase in 24 to 48 hours showing a small percentage return, but high dollar return due the value of the leveraged purchase and sale. This buying and selling is done on a daily basis and shows very large profits for club members. Tri-West Investment Club trades exclusively through Haarlem Universal Corporation.

Tri-West was opened to general membership in 1996 and has grown to over 6,000 members worldwide. . .

Tri-West Members may invest any amount of funds they desire in multiples of USD \$1,000. All investments are for a period of one year at which time the principle is returned according to the directions of the member. The rate of return on investment is presently pegged at 10% ( ten percent) per month of the total investment. The rate of return will not change during the term of the investment (one year) and returns are paid on the first banking day of the month, each and every month. All remittances must be sent by bank draft or wire transfer to Haarlem Universal Corporation.

The investment return is paid monthly directly into the members offshore bank account which then may be accessed from anywhere in the world with the account ATM Card.

The offshore account with ATM Card will be established by Tri-West for its members. The fee for this service is USD \$100.00 if the members invests [sic] less than USD \$5,000. This covers the USD \$85.00 bank fees to open the Offshore Bank account and \$15.00 courier costs to facilitate the account opening. There is no fee if the initial investment is USD \$5,000 or more. . .

An offshore account is not a requirement of membership. Investment returns can be sent directly to the members listed address by regular mail on the first

banking day of the month.

Anyone can become a member of **Tri-West Investment Club**. An investment is not required to become a member and receive our quarterly newsletter.

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*"I joined Tri-West Investment Club with a small investment in February, 1997. As time passed, and my confidence in the Club grew, I invested more capital and recommended the program to friends, family and business associates. Today, I have generated a perpetual income of over \$100,000 per year on my referral bonus income alone."*

T. Rockwell  
Los Angeles, CA., USA

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### MEMBER REFERRAL PROGRAM

Our member referral program is a unique program instituted in 1997 to enable members to earn income while introducing their business associates, friends and family to the Club. The concept is kept simple. Tri-West pays a referral bonus to the referring member of 15% (fifteen percent) of the referred investment and 15% (fifteen percent) of the earned income of the referred member. As the income of the referred member increases through larger investment or referred bonus income, so your income increases proportionately. The referral bonus is paid on the first banking day of each month. All returns are paid on the first banking day of the second month after the investment is received and processed. E.g. All investments received and processed in the month of May will begin receiving income and bonus income on the first banking day in July.

An additional referral bonus of \$1,000 is paid on each accumulated level of \$50,000 referred investment. These bonuses are placed in the investment program in favor of the referrer for a one-year period and receive the current rate of return each month. Referral bonus' will be paid directly to the members offshore account (if they have chosen to have Tri-West open and [sic] account) or by mail to the members listed address. Bonuses are subject to our referral program rules as well. The member referring to member receiving the bonus is entitled to their referral fee. . .

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*"We joined the Tri-West Investment Club in 1996. After being convinced of the merit and validity of the Club, my wife and I went to work full time introducing new members to the Club. We have personally referred over 100 members and made a great many new friends. Although we are officially retired, we work full time referring new members. If we never referred another member, we have sufficient income to live splendidly for the rest of our lives. And the monthly grows each month. We are in our late 40's."*

Jennifer and Robert Moore  
Manchester, U.K.

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## WHAT IS A BANK DEBENTURE TRADING PROGRAM?

Also referred to as a secured asset management program, this is an investment vehicle commonly used by the very wealthy where the principal investment is fully secured by a Bank Endorsed Guarantee. The principal is managed and invested to give a guaranteed high return to the investor on a periodic basis. There is no risk of losing the investor's principal investment.

This investment opportunity involves the purchase and sale of Bank Debentures within the International Market in controlled trading programs. The program allows for the investor to place his funds through an established Program Management firm working-directly with a major Trading Bank.

The investment funds are secured by a Bank-Endorsed Guarantee by the Banking Institution at the time the funds are deposited. The Investor is designated as the Beneficiary of the Guarantee unless otherwise instructed by the Investor. The guarantee is issued to secure the Investor's principal for the contract period. This guarantee will be Bank Endorsed with the Bank Seal, two authorized senior Officers' signatures, and will guarantee that the funds will be on deposit in the Bank during the contract period and will be returned fully to the Investor at the end of the contract term.

The Investor is also guaranteed by the Program Directors, by contract, that they will receive what is in effect a percentage of each trade made by the Trade Bank. This can be in the form of a guaranteed profit/yield paid on a periodic basis upon terms as set forth in the contract.

The Instruments to be transacted under the Buy/Sell Program are fully negotiable Bank Instruments, delivered unencumbered, free and clear of any and all liens, claims or restrictions. The Instruments are debt obligation of the Top One Hundred (100) World Banks in the form of Medium Term Bank Debenture of 10 years in length, usually offering 7-1/2% interest, or "Standby Letters of Credit" of one year in length with no interest, but the profits are distributed according to the agreement and the process repeats for the duration of the contract. . .

## WHY ARE THESE "HIGH RETURNS WITH SAFETY" PROGRAMS NOT GENERALLY PUBLICIZED?

The answer is that these programs have been available, though not widely known, for years. However, because of the extremely high minimum requirements to enter them, only a few could qualify. The minimums have been 10 to 100 million dollars previously. Only recently have the smaller minimums been available so that more can qualify and yet have the opportunity to earn exceptionally high and safe profit yields. Also, the Investor must be "invited in", to participate in these very limited enrollment programs . . .

## BANK DEBENTURE FORFEITING (TRADING) PROGRAM

In the U.S., the supply of money or credit is regulated by the Federal Reserve, an independent body which came into existence by an Act of Congress in 1913, and in part by means of the authorization of certain key International 'Prime Banks'. Prime Banks comprise the top 250 banks worldwide, as ranked by net assets, long term stability and sound management. These banks are authorized to issue blocks of Bank Debenture Instruments, such as Bank Purchase Orders (BPO's), and Prime Bank Instruments or Guarantees such as Promissory Bank Notes (PBN's), Zero Coupon Books and Letter's of Credit issued under the International Chamber of Commerce (ICC 400) guideline requirements for banking, and as developed and periodically dated [sic] by the same international organization. . . . A trader, who by agreement, is empowered to receive and place the first issue of a Bank's \$100 million PBN's and who has a waiting supply of end retain buyers, can sometimes clear 6-10 points (\$6-10 million USD) or more per issue. A good trader is capable of closing 1-2 trades per day, 4 days per week. At these spreads over a 40 week trading period, it is not difficult to understand why the investor, as capital provider, receives such a high guaranteed rate of return for funding this operation. Further, the trader will not undertake to buy the PBN issue unless he has a contract for the re-sale to a retail buyer in hand so that the investor's capital and the trader's position are not put at risk. . .

The trader will use your investment as part of a fund to buy the first issue PBN's and you will share in the profits along the way. The Prime Banks, on the other hand, are happy to receive your money for the discounted sale of a Note due five to fifteen years in the future, since the Banks are permitted by law to loan you money out many times over to borrow at a profitable interest rate, while only paying perhaps 6-8% interest per year as a cost. As well, Banks participating in the Trading Program receive a share of the Trading profits. Typically, the Trader, Bank and Program Manager retain 50% of the profits generated with the balance going to the Investor and Brokers/representatives. . .

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*"My brother introduced me to Tri-West Investment Club in 1998. I invested a modest amount. On the first of every month, my investment return is in my bank account like clockwork."*

*Carlos Spencer  
Buenos Aries, Argentina*

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## JURISDICTIONS

The areas we represent are located from the Isle of Man to the Caribbean Islands. All locations offer tax-free exemptions to corporations. These locations are also international financial business centres with well-developed infrastructures and fall under the British common law system,

thereby making it particularly suitable for certain transactions not easily structured under a civil law system.

## BANK AND BANKING SERVICES

The banks we work with all work within the International Banking Act and thus offer a high degree of confidentiality concerning the banking affairs of its [sic] clients. You will enjoy absolute confidentiality when dealing with these banks, [sic]. All banking and offshore companies are under legislation modelled after the most progressive Secrecy Laws established within the banking laws. . .

European banks are renowned for the stability of their operations and it goes without saying that in the European banking profession a banker's word is literally his bond. Any deviation from the accepted European banking traditions would result in blacklisting and expulsion from the community, and an end to one's career. SECRECY is the watchword rigidly enforced by the European banker, always eager to protect his client from all unauthorized and prying inquiries from any source.

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*"As one of the first 100 members of the Tri-West Investment Club, I can attest to the validity of the claims and merits of Club membership. The growth of the Club has been phenomenal in the past couple of years. I personally started with a small investment of \$10,000. Today, with the accumulated referral bonus income my investment in the Club is in excess of \$1,000,000 and growing each month. Most of the referral members I have introduced over the years were skeptical in the beginning about the Club program. Within a year, or earlier in some cases, almost all have been active in referring new members as well as increasing their own investment. Since my referral bonus is 15% of the capital invested by the referred member and 15% of their income, my referral bonuses grow each month, even if I never referred another member. The members that I have referred and the members that they have referred continue to increase my income each month. This type of opportunity does not present itself too often. I would urge anyone introduced to the Tri-West Investment Club to join and try it like we did. In the first year you have your money back and you are still making an income. When satisfied, go to work making some real income by referring new members, with complete confidence in the program."*

*David Fox  
Sydney, Australia . . . ."*

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3. 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.
4. 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.
5. 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, Respondents made statements that are materially misleading or are otherwise likely to deceive the

public, to wit:

- a. References to I.C.C. guideline requirements are misleading in that the I.C.C. has issued a press release specifically indicating that references to "Bank Debenture Trading Programmes" are false and misleading and that, in fact, such a trading programme "does not exist". Additionally, the I.C.C. has indicated that such solicitations are "fraudulent" and have claimed "tens of millions of dollars from victims worldwide".
- b. The said reference to the I.C.C. is also misleading because it fails to disclose that the I.C.C. has issued a Special Report on Prime Bank Instrument Frauds, specifically describing programs with the same characteristics as the program being offered by Respondents 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 to whom the offeror will provide the investor funds.

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 Tri-West Investment Club and Jason Kingsley 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 10<sup>th</sup> day of July, 2000.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner