

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



JOSE ADAN TREVINO
CHAIRMAN

JOHN R. MORGAN
DEPUTY SECURITIES COMMISSIONER

NICHOLAS C. TAYLOR
MEMBER

State Securities Board

MAIL: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

208 E. 10th Street, 5th Floor
Austin, Texas 78701
Phone (512) 305-8300
FAX (512) 305-8310
<http://www.ssb.state.tx.us>

KENNETH W. ANDERSON, JR.
MEMBER

SSB Docket No. 01-28

IN THE MATTER OF
U. S. RECYCLING CORPORATION;
ONE TRADE CORPORATION;
METALS RECYCLING DEPOT, INC.;
MRD PARTNERS JACKSONVILLE;
GREGORY G. WHITE; JOHN H.
MALMROSE; ANTHONY GUARINO;
PETER SHARPE; AND JOEL STEINBERG

§
§
§
§
§
§
§
§

Order No. CDO-1441

TO: U. S. Recycling Corporation
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

One Trade Corporation
12550 Biscayne Blvd., Ste. 704
North Miami, Florida 33181

Metal Recycling Depot, Inc.
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

MRD Partners Jacksonville
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

Gregory G. White
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

John H. Malmrose
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

Anthony Guarino
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

Peter Sharpe
20283 State Road 7, Ste. 400
Boca Raton, Florida 33498
and
21218 St. Andrews Blvd., Ste. 219
Boca Raton, Florida 33433

Joel Steinberg
12550 Biscayne Blvd., Ste. 704
North Miami, Florida 33181

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2001) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. U. S. Recycling Corporation ("USRC") is a Delaware parent corporation that acts as an unconditional guarantor of 6 month 12% promissory notes issued by Metals Recycling Depot, Inc. ("MRDI").
2. USRC's last known business address is 21218 St. Andrews Boulevard, Suite 219, Boca Raton, Florida 33433.
3. MRD Partners Jacksonville ("MRD") is a Florida limited partnership whose last known business addresses are 20283 State Road 7, Suite 400, Boca Raton, Florida 33498 and 21218 St. Andrews Boulevard, Suite 219, Boca Raton, Florida 33433.
4. Metals Recycling Depot, Inc., ("MRDI") is a Florida corporation whose last known business addresses are 21218 St. Andrews Boulevard, Suite 219, Boca Raton, Florida 33433 and 21218 St. Andrews Boulevard, Suite 219, Boca Raton, Florida 33433.
5. MRDI is the managing general partner of MRD.
6. Gregory G. White (CRD # 8980902) ("White") is an individual who at all times material hereto has been President, CEO and a Director of USRC and MRDI with the last known business addresses the same as MRDI and USRC.
7. John H. Malmrose ("Malmrose") is an individual who at all times material hereto has been Chief Financial Officer and Director of USRC and MRDI with business addresses the same as MRDI and USRC.
8. Anthony Guarino ("Guarino") is an individual working in New York who at all times material hereto has acted as an agent of USRC, MRDI, MRD, White and Malmrose with the last known business addresses the same as MRDI and USRC.
9. Peter Sharpe ("Sharpe") is an individual working in New York who at all times material hereto has acted as an agent of USRC, MRDI, MRD, White and Malmrose with the last known business addresses the same as MRDI and USRC.

10. During September, 2001, Guarino, on behalf of USRC, MRDI, MRD, White and Malmrose, offered to at least one person in Texas the limited partnership interests of MRD and the promissory notes issued by MRDI and guaranteed by its parent company, USRC.
11. During September, 2001, Sharpe, on behalf of USRC, MRDI, MRD, White and Malmrose, offered to at least one person in Texas the limited partnership interests of MRD and the promissory notes issued by MRDI and guaranteed by its parent company, USRC.
12. The MRD limited partnership interests and MRDI promissory notes guaranteed by USRC are securities, as defined by Section 4 of the Texas Securities Act, and were not registered with the Securities Commissioner pursuant to Section 7 of the Texas Securities Act.
13. One Trade Corporation ("OTC") is a Florida corporation with the last known business address of 12550 Biscayne Boulevard, Suite 704, North Miami, Florida 33181.
14. Joel Steinberg ("Steinberg") is an employee of OTC, a Florida corporation, with the last known business address of 12550 Biscayne Boulevard, Suite 704, North Miami, Florida 33181.
15. During September, 2001, Steinberg, on behalf of OTC, USRC, MRDI, MRD, White and Malmrose, offered to at least one person in Texas the limited partnership interests of MRD and the promissory notes issued by MRDI and guaranteed by its parent company, USRC.
16. Sharpe, Guarino, Steinberg and OTC have offered securities in Texas at a time when they were not registered as securities dealers or agents with the Securities Commissioner as required by Section 12 of the Securities Act.
17. USRC, MRDI, MRD, OTC, White and Malmrose have been dealing in securities in Texas through the use of agents who are not registered to sell securities in Texas, pursuant to the provisions of Section 12 of the Securities Act.
18. USRC, MRDI, MRD, OTC, White, Malmrose, Guarino, Sharpe and Steinberg (hereinafter collectively referred to as "Respondents") fail to disclose in the offering materials related to the offer for sale of securities herein, as well as during their oral sales presentation, the material fact that a Summary Cease and Desist Order was issued against USRC, MRDI, White and Malmrose by the State of Washington, Department of Financial Institutions, Securities Division on or about April 30, 2001.
19. Respondents fail to disclose in the offering materials related to the offer for sale of securities herein, as well as during their oral sales presentation, the material fact that an Order to Cease and Desist and Refrain was issued against Aluminum

Recycling Corporation ("ARC"), Gregory White, and others, by the State of South Dakota, Department of Commerce and Regulation, Division of Securities on or about March 24, 1997.

20. Respondents fail to disclose in the offering materials related to the offer for sale of securities herein, as well as during their oral sales presentation, the material fact that a Summary Order of Prohibition and Revocation was issued against ARC, White, Malmrose, and others by the State of Wisconsin, Department of Financial Institutions, Division of Securities on or about February 5, 1998.
21. Respondents fail to disclose in the offering materials related to the offer for sale of securities herein, as well as during their oral sales presentation, the material fact that a Temporary Order of Prohibition was issued against ARC, whose officers were White and Malmrose, by the State of Illinois, Secretary of State, Securities Division on or about July 16, 1999.
22. OTC and Steinberg fail to disclose in the offering materials related to the offer for sale of securities herein, as well as during their oral sales presentation, the material fact that a Summary Cease and Desist Order was issued against OTC and others by the State of Pennsylvania on or about June 28, 2001.
23. USRC, MRDI, MRD, White and Malmrose intentionally failed to disclose material facts regarding the financial ability of USRC to guarantee payment of the promissory notes by failing to disclose in the offering materials the balance sheets and profit and loss statements for USRC.

CONCLUSIONS OF LAW

1. The limited partnership interests and promissory notes offered by Respondents were securities as defined by Section 4.A of the Texas Securities Act.
2. Respondents violated Section 7 of the Texas Securities Act by offering for sale in Texas the above-described securities.
3. Guarino, Sharpe, OTC and Steinberg violated Section 12 of the Texas Securities Act by offering for sale securities in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. USRC, MRDI, MRD, White and Malmrose violated Section 12 of the Texas Securities Act by offering securities in Texas through unregistered agents.
5. Respondents have made offers of securities in Texas that are materially misleading or otherwise likely to deceive the public through failing to disclose in their offering material, as well as in their oral sales presentation, the information contained in Findings of Fact, paragraphs 18-22. USRC, MRDI, MRD, White and Malmrose have engaged in fraud in connection with the offer for sale of the above-described

securities by intentionally omitting the financial information referred to in paragraph 23.

6. Respondents' conduct, acts and practices threaten immediate and irreparable harm to the public.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Guarino, Sharpe, OTC and Steinberg immediately CEASE AND DESIST from acting as securities agents or dealers until they are registered or an available exemption is utilized.
2. It is further ORDERED that USRC, MRDI, MRD, White and Malmrose immediately CEASE AND DESIST offering securities through unlicensed securities agents until the agents have registered with the Securities Commissioner or an available exemption is utilized.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities to Texas residents until the securities have been registered with the Securities Commissioner or an available exemption is utilized.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities to Texas residents through the use of fraud or through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Under Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served. The request for a hearing must be in writing, directed to the Securities Commissioner, stating the grounds for the request to set aside and modify the order. Failure to request a hearing will result in the order becoming final and nonappealable.

You are advised under Section 29.D of the Texas Securities Act that any willful violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of this Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 31st day of October, 2001.


DENISE VOIGT CRAWFORD
Securities Commissioner