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MIGUEL ROMANO, JR.
MEMBER

IN THE MATTER OF
DAVID DEL CASTILLO AKA DAVID CASTILLO
AKA DAVID M. HUARACHA AKA DAVID OMAR
HUARACHA, NOW DOING BUSINESS AS
INTERNATIONAL FOREX FUND

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Order No. ENF-16-CDO-1744

TO: David Del Castillo
2811 La Frontera, Apt. 2611
Austin, Texas 78278

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. arts. 581-1 to 581-44 (West 2010 & Supp. 2015) (the "**Texas Securities Act**").

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

FINDINGS OF FACT

1. David Del Castillo aka David Castillo aka David M. Huaracha aka David Omar Huaracha, now doing business as International Forex Fund ("Respondent"), maintains a last known address at 2811 La Frontera, Apt. 2611, Austin, Texas 78278.
2. Respondent is advertising an investment program through craigslist.org, the Houston Chronicle's webpage and other online media accessible to the public.
3. The advertisement being carried on craigslist.org describes Respondent and the investment program as follows:
 - a. Respondent worked as a retail trader and private investment company, and is a licensed trader.

- b. Respondent has been trading since 1998. Trading was effectuated through the interbank market for forex and the Philadelphia Options Exchange.
 - c. Investors can expect a 3 percent return in one week.
 - d. Respondent charges a "50/50 split" on any profitable trade. The structure ensures that Respondent does not charge on any trade that is not profitable.
 - e. It directs potential investors to InternationalForexFund.com.
4. The webpage accessible at InternationalForexFund.com describes Respondent and the investment program as follows:
- a. Respondent, doing business as International Forex Fund, is a private investment company specializing in Forex.
 - b. Respondent has 17 years of experience as a "Licensed Foreign Currency Options Broker" on PHLX, and Respondent is a Licensed Foreign Currency Options Broker.
 - c. Respondent is offering managed forex accounts for private international clients.
 - d. Profits are "50/50 split on individual profitable trades."
5. Respondent is directing potential investors to execute a Managed Account Authorization - Limited Power of Attorney to authorize him to trade on their behalf. It provides as follows:
- a. Respondent is a "Licensed Foreign Currency Options Broker and Trading Agent."
 - b. Respondent is authorized to purchase, either short or long, foreign currencies, options, stock options, possibly on margin or otherwise.
 - c. Respondent is to receive a "50% commission" on each trade that produces a profit.
6. Investments in the trading program have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas.
7. Regulation D, Rule 506, promulgated under the Securities Act of 1933, authorizes issuers to engage in general solicitation when selling covered securities and preempts state securities registration laws provided that, among other things, all purchasers of the securities are accredited investors and issuers take reasonable steps to verify that such purchasers are accredited investors.

8. Respondent is offering investments in the trading program to purchasers who are not accredited investors. Respondent is not taking reasonable steps to verify that all purchasers are accredited investors.
9. Respondent has not been registered with the Securities Commissioner as a dealer, agent, investment adviser or investment adviser representative at any time material hereto.
10. Respondent has not been registered with the National Futures Association to engage in foreign currency options trading nor authorized to trade on NASDAQ PHLX LLC, formerly known as the Philadelphia Stock Exchange and commonly known as PHLX, at any time material hereto.
11. In connection with the offer of investments in the trading program, Respondent is intentionally failing to disclose the following material facts:
 - a. The performance history of the fund.
 - b. Respondent has previously filed voluntary petitions for bankruptcy on at least four occasions, including the following:
 - i. On or about February 1, 2004, Respondent filed a Voluntary Petition for bankruptcy in the United States District Court, Southern District of Texas, Case No. 04-31575 and the cause was dismissed on grounds inter alia that Respondent caused unreasonable delay thereby prejudicing creditors and failed to appear for creditors meetings;
 - ii. On or about October, 16, 2005, in Case No. 05-119282-fm, Respondent filed a Voluntary Petition for bankruptcy in the United States District Court, Western Division of Texas, listing \$5050.00 in assets and \$161,033.92 in liabilities and stating that he was unemployed and Respondent was granted a discharge on or about February 15, 2006;
 - iii. On or about July 29, 2011, Respondent filed a Voluntary Petition for bankruptcy in the United States Bankruptcy Court, Western Division of Texas, in Case No. 11-11886-hcm, and the matter was summarily dismissed for failure to meet with creditors; and
 - iv. On or about February 7, 2012, Respondent filed a Voluntary Petition for Bankruptcy in the United States Bankruptcy Court, Western District of Texas, in Case No. 12-10257CG. On March 8, 2012, Respondent's bankruptcy case was dismissed with prejudice.
 - c. On or about November 2, 2004, in Harris County, Texas, property jointly owned by Respondent and another, located at 10514 Knoll Bend Lane, Houston, Texas, was foreclosed on and sold due to default on a promissory note.

- d. On or about May 1, 2012, in Williamson County, Texas, property jointly owned by Respondent and another, located at 140 Calcite Lane, Jarrell, Texas, was foreclosed on and sold due to default on a promissory note.
12. In connection with the offer of investments in the trading program, Respondent is knowingly misrepresenting the relevant fact that, in the prior six months, investors transferred funds to Respondent, their funds were deposited in Respondent's personal account and that most deposits were for amounts between \$5,000.00 and \$15,000.00.
 13. Respondent is making an offer stating that he is a "Licensed Trader," a "Licensed Foreign Currency Options Broker and Trading Agent," and that he has been "[t]rading since 1998 in Forex interbank, and Philadelphia options exchange." These statements are materially misleading or otherwise likely to deceive the public because:
 - a. Respondent has not been registered with the National Futures Association to engage in foreign currency options trading nor authorized to trade on NASDAQ PHLX LLC, formerly known as the Philadelphia Stock Exchange and commonly known as PHLX, at any time material hereto, and
 - b. Respondent is failing to disclose the agency or office that issued his license.

CONCLUSIONS OF LAW

1. The above-described investment is a "security" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondent is violating Section 12 of the Texas Securities Act by acting as a dealer, agent, investment adviser or investment adviser representative at a time when he is not duly registered with the Securities Commissioner.
3. Respondent is violating Section 7 of the Texas Securities Act by offering for sale securities not duly registered with the Securities Commissioner.
4. Respondent is engaging in fraud in connection with the offer for sale or sale of securities.
5. Respondent is making an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
6. Respondent's conduct, acts, and practices threaten immediate and irreparable public harm.
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

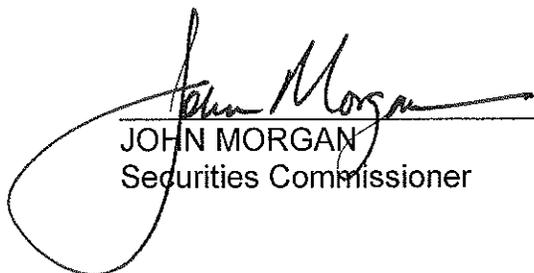
1. It is therefore ORDERED that Respondent immediately CEASE AND DESIST from offering for sale and selling any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondent CEASE AND DESIST from acting as a securities dealer, agent, investment adviser or investment adviser representative until Respondent is registered with the Securities Commissioner or is acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondent immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondent immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for not more than ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 30th day of March, 2016.



JOHN MORGAN
Securities Commissioner