



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

BULL & BEAR, LTD.	)	ORDER TO CEASE AND DESIST
1034 South Brentwood Blvd.	)	Order No. CD-99-40
Suite 1520	)	
St. Louis, Missouri 63117;	)	
	)	
ROBERT TERRENCE JEEP	)	
6225A Victoria	)	
St. Louis, Missouri 63139; and	)	
	)	
JEROME STANFORD STEIN	)	
648 Coeur De Royale, Apt. B	)	
St. Louis, Missouri 63141,	)	
	)	
Respondents.	)	

Jerome Stanford Stein recommended that an 81-year-old Illinois resident invest in foreign currencies through Bull & Bear, Ltd., and Robert Terrence Jeep. Bull & Bear, Jeep and Stein purported to sell this Illinois resident a foreign currency contract for \$20,000. To date, the Illinois resident has not received a return on her investment nor any indication that Bull & Bear, Jeep or Stein ever purchased any foreign currency contract with her \$20,000. After the sale of the purported foreign currency contract to the Illinois resident, Stein received a personal check from Jeep in the amount of \$900. The securities were not registered in Missouri or Illinois. Respondents were not registered to sell securities in Missouri or Illinois. Stein was not registered as an investment adviser in Missouri or Illinois. Stein was the subject of a Cease and Desist Order issued by the Missouri Commissioner of Securities in 1990. The National Association of Securities Dealers barred Stein from selling securities in 1992. Jeep was disbarred from the practice of law in 1993. These facts were not disclosed to the Illinois investor.

The Commissioner is empowered to issue such orders as are necessary to protect the public interest. Section 409.408, RSMo 1994.

The Commissioner has received a Petition for a Cease and Desist Order and issues the following Findings of Fact and Conclusions of Law.

### FINDINGS OF FACT

1. Bull & Bear, Ltd. was a corporation that purported to be part of a multi-national financial group affiliated with the Foreign Exchange (FOREX) Market. Bull & Bear had an office address of 1034 South Brentwood Blvd., Suite 1520, St. Louis, Missouri 63117.
2. Robert Terrence Jeep was a representative of Bull & Bear. Jeep has an address of 6225A Victoria, St. Louis, Missouri 63139.
3. Jerome Stanford Stein has an address of 648-B Coeur De Royale, St. Louis, Missouri 63141.
4. As used in this Cease and Desist Order, the term "Respondents" refers to Bull & Bear, Jeep and Stein.
5. On or about March 5, 1997, Stein met with an 81 year-old Illinois resident ("IR"). Stein had previously been IR's securities agent.
6. During that March 5, 1997 meeting, Stein recommended that IR invest in foreign currencies through Jeep and Bull & Bear.
7. During the March 5, 1997 meeting, Stein told IR, among other things, the following:
  - a. Investing in the fluctuating dollar overseas was the "way to go."
  - b. IR would make a "good 10%" by investing in this program.
  - c. Jeep was an attorney and could be trusted.
8. On March 12, 1997, IR mailed a \$20,000 check to Bull & Bear in St. Louis, Missouri. The check was made payable to Bull & Bear and included the word "investment" in the memo line.
9. On or about March 18, 1997, IR received a written confirmation from Bull & Bear indicating a deposit of \$20,000 in IR's securities account.
10. On or about June 2, 1997, IR received a written statement dated May 30, 1997 from Bull & Bear. This statement indicated that IR had a "new balance" of \$22,471.34. This document was attached and incorporated as Exhibit A.

11. The May 30, 1997, account statement did not identify that any foreign currency had been purchased for IR's account.
12. Stein later received a personal check from Jeep in the amount of \$900.
13. On or about June 2, 1997, IR contacted the Missouri Securities Division concerning Bull & Bear.
14. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for the securities as offered and sold by Respondents in the State of Missouri.
15. A check of the records maintained by the Commissioner confirmed no registration for Respondents to sell securities or to transact business as an investment adviser in the State of Missouri.
16. A check of the records maintained by the Illinois Division of Securities confirmed no registration for Respondents to sell securities or to transact business as an investment adviser in the State of Illinois.
17. Bull & Bear was not registered with the National Futures Association or the Commodities Futures Trading Commission.
18. On June 3, 1997, the Missouri Securities Division sent a letter of inquiry to Bull & Bear. The letter requested information about the sale of foreign currency contracts in the State of Missouri.
19. Bull & Bear failed to respond to the Division's request for information.
20. On August 7, 1997, the Securities Division sent a letter to Jeep at his residence requesting information about foreign currency contracts sold by Jeep in the State of Missouri.
21. The August 7, 1997 letter of inquiry also requested that Jeep file a claim of exemption from registration or exception from definition for the sale of foreign currency contracts sold by Respondents in the State of Missouri. It was requested that a response to this letter be received on or before August 21, 1997.
22. The letter dated August 7, 1997, was received and signed for by Jeep on August 11, 1997.
23. Jeep failed to respond to the Division's August 7, 1997 letter of inquiry.
24. On April 29, 1998, IR submitted a written complaint to the Division indicating that repeated requests for the return of IR's investment had been ignored by Jeep and Bull & Bear. IR stated that Bull & Bear was no

longer providing IR with account statements and that Bull & Bear's telephone number had been disconnected.

25. On August 16, 1999, an investigator with the Securities Division talked to Stein. Stein stated, among other things, the following:
  - a. In March of 1997, Stein met with IR whom Stein claimed to have known for twenty years.
  - b. During this March 1997 meeting, Stein recommended that IR invest in foreign currency contracts through Bull & Bear and Jeep.
  - c. Stein received no compensation from Bull & Bear, but did receive personal checks from Jeep for \$900 and \$200.
26. In 1990 the Missouri Commissioner of Securities issued a Cease and Desist Order that named Stein as a Respondent for fraudulent and illegal practices in the sale of securities.
27. In 1992 the National Association of Securities Dealers barred Stein from selling securities.
28. On June 29, 1993, the Missouri Supreme Court disbarred Jeep from practicing law in Missouri.
29. On March 9, 1999, the Illinois Department of Securities issued an Order of Prohibition against Bull & Bear prohibiting further sales of securities in Illinois.
30. In connection with the offer and sale of the above-mentioned securities to IR, Respondents omitted to disclose the following material facts:
  - a. The securities were not registered in the State of Missouri or the State of Illinois.
  - b. Respondents were not registered to sell securities in the State of Missouri or the State of Illinois.
  - c. Stein was not registered as an investment adviser in the State of Missouri or the State of Illinois.
  - d. The Missouri Commissioner of Securities issued a Cease and Desist Order against Stein in 1990.
  - e. The National Association of Securities Dealers barred Stein from selling securities in 1992.
  - f. The Missouri Supreme Court disbarred Jeep in 1993.

31. This Order is in the public interest.

### CONCLUSIONS OF LAW

1. The foreign currency contract sold by Respondents constitutes an investment contract.
2. A security is defined as “. . . any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate or subscription; transferable share; **investment contract**; limited partnership interest; voting-trust certificate; certificate of deposit for a security; [or] certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease[.]” (Emphasis added) Section 409.401, RSMo Cumulative Supp. 1998.

The foreign currency contract sold by Respondents constitutes a security.

3. It is unlawful for any person to transact business in this state as a broker-dealer unless he is registered as a broker-dealer under Sections 409.101 to 409.419. Section 409.201(a), RSMo. Cumulative Supp. 1998.

Bull & Bear's conduct described in the Section entitled “Findings of Fact” constitutes a violation of Section 409.201(a), RSMo Cumulative Supp. 1998.

4. It is unlawful for any person to transact business in this state as an agent unless he is registered as an agent under this act. Section 409.201(a), RSMo Cumulative Supp. 1998.

Jeep and Stein's conduct described in the Section entitled “Findings of Fact” constitutes a violation of Section 409.201(a), RSMo Cumulative Supp. 1998.

5. It is unlawful for any person to transact business in this state as an investment adviser unless he is registered as an investment adviser under this act. Section 409.201(c), RSMo Cumulative Supp. 1998.

Stein's conduct described in the Section entitled “Findings of Fact” constitutes a violation of Section 409.201(c), RSMo Cumulative Supp. 1998.

6. "It is unlawful for any person to offer or sell any security in this state unless (1) it is registered under this act; (2) the security or transaction is exempted under section 409.402; or (3) it is a federal covered security." Section 409.301, RSMo Cumulative Supp. 1998.

Respondents' sale of unregistered securities, as described in the above "Findings of Fact," constitutes a violation of Section 409.301, RSMo Cumulative Supp. 1998.

7. "It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly
  - (1) to employ any devise, scheme, or artifice to defraud,
  - (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or
  - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person." Section 409.101, RSMo 1994.

Respondents' omissions of material facts in connection with the offer and/or sale of securities, as described in the above "Findings of Fact," constitute violations of Section 409.101, RSMo 1994.

8. The Commissioner may, if he believes from evidence satisfactory to him that a person is engaged or about to engage in any fraudulent or illegal practice or transaction, issue an order prohibiting such person from engaging in or continuing such fraudulent or illegal practice. Section 409.408(b), RSMo 1994.

Transacting business as an unregistered broker-dealer constitutes an illegal practice under the statute.

Transacting business as an unregistered agent constitutes an illegal practice under the statute.

Transacting business as an unregistered investment adviser constitutes an illegal practice under the statute.

Selling unregistered securities constitutes an illegal practice under the statute.

Omitting to state a material fact in connection with the offer and sale of securities constitutes an illegal practice under the statute.

9. "[T]he burden of proving an exemption or an exception from a definition is upon the person claiming it." Section 409.402(f), RSMo 1994.

Bull & Bear and Jeep have failed to sufficiently prove an exemption from registration or an exception from the definition of a security.

10. "The refusal to furnish information . . . within a reasonable time to be fixed by the commissioner, shall be proper ground for the entry of an order by the commissioner suspending the right to sell such security." Section 409.408(a), RSMo 1994.

Bull & Bear and Jeep's refusal to furnish information as required by the Commissioner constitutes proper grounds for the entry of this Order.

11. Sufficient evidence exists to conclude that Respondents engaged in willful violations of Sections 409.101, RSMo 1994; 409.201, RSMo Cumulative Supp. 1998; and 409.301, RSMo Cumulative Supp. 1998.
12. Sufficient evidence exists to conclude that Respondents will continue such fraudulent and illegal practices.

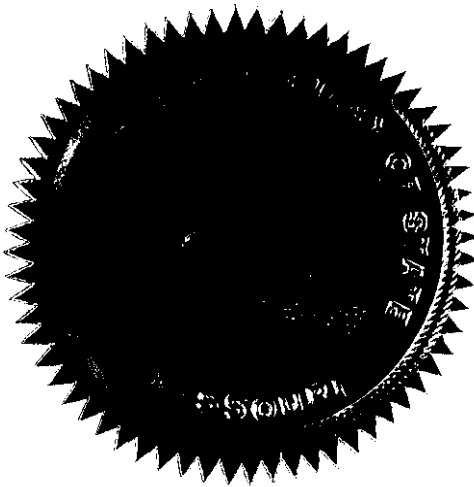
**NOW, THEREFORE,** the Commissioner of Securities Orders that Bull & Bear, Ltd., Robert Terrence Jeep, and Jerome Stanford Stein, their agents, employees, and servants CEASE AND DESIST the offer and sale of securities in violation of Sections 409.101, RSMo 1994, and 409.201 and 409.301, RSMo Cumulative Supp. 1998.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 22 DAY OF July, 1999.

REBECCA MCDOWELL COOK  
SECRETARY OF STATE

DOUGLAS F. WILBURN  
COMMISSIONER OF SECURITIES



**NOTICE:**

Respondents and any unnamed representatives aggrieved by this order may request a hearing in this matter. Any request for a hearing should be sent in writing to Douglas F. Wilburn, Commissioner of Securities, Office of the Secretary of State, Missouri State Information Center, Room 229, 600 West Main Street, Jefferson City, Missouri 65102, within thirty (30) days of the receipt of this Order. Section 409.412(a), RSMo 1994 and MO 15 CSR 30-55.020.



