

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Steven Eric Milstein-Roth, a.k.a.
Steve E. Milsteinroth, Steven E.M. Roth,
and Steve Roth
1448 Queens Road
West Hollywood, CA 90069
and
13700 Marina Pointe Drive, #1010
Marina del Rey, CA 90292

REVISED DESIST AND REFRAIN ORDER

(For violations of sections 29520 and 29536 of the Corporations Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times herein, Steven Eric Milstein-Roth (“Roth”), a.k.a. Steve E. Milsteinroth, Steven E.M. Roth, and Steve Roth is or was an individual residing at 1448 Queens Road, West Hollywood, CA 90069 or 13700 Marina Pointe Drive, #1010, Marina del Rey, CA 90292.
2. At all relevant times herein, Susan Lok, a.k.a. Susan Keng Loc and Susan Kheng-Loc is or was an individual residing at 1265 Indian Springs Drive, Glendora, CA 91741.
3. At all relevant times herein, Arthur Ferdig (“Ferdig”) is or was an individual and the founder of Tradex, Ltd. (“Tradex”).
4. At all relevant times herein, Tradex formerly known as International Bright Investments, a.k.a. Richwell, Ltd., and Richwell Financial, Inc. is or was a trading company duly registered and located in Roseau, Dominica, West Indies with its principal place of business in the United States at 15902 Halliburton Road, Suite 184A, Hacienda Heights, CA 91745.
5. Tradex was a trading company that solicited individuals to place their money with Tradex, memorializing the arrangement with a capital management agreement. The Tradex capital management agreement stated that Tradex is a company that facilitates the trading of world

1 currency in the international foreign exchange market. These agreements constitute commodity
2 contracts under Section 29505 of the California Commodity Law of 1990.

3 6. Beginning in or about 1999, Roth was an investor in Tradex while he was employed
4 by New York Life Insurance Company. Roth also solicited investments in commodities from
5 individuals, including some of his New York Life Insurance clients, in Tradex with Lok as the trader
6 and Ferdig as the founder.

7 7. Foreign currencies are commodities under Section 29504 of the California Commodity
8 Law of 1990.

9 8. In connection with these offers and sales Roth willfully failed to disclose to investors
10 that:

- 11 a. Neither Tradex, Roth, Lok or Ferdig were licensed with the Commodity Futures
12 Trading Commission to sell commodities.
- 13 b. Tradex, Roth, Lok and Ferdig are not exempt from the California Commodities
14 Law of 1990 (“CCL”).

15 Based on the foregoing findings, the Commissioner is of the opinion that the capital
16 management agreements for trading in foreign currency offered and sold by Roth were commodity
17 contracts that were offered and sold in this state, in violation of section 29520 of the CCL.

18 The Commissioner is also of the opinion that in connection with the offers and sales, Roth
19 willfully omitted to state the material facts alleged in 8 above, which were necessary in order to make
20 the statements made, in the light of the circumstances under which they were made, not misleading in
21 violation of section 29536 of the CCL.

22 Pursuant to Section 29542 of the CCL Steven Eric Milstein-Roth is hereby ordered to desist
23 and refrain from purchasing or selling, offering to sell or purchase, offering to enter into, or entering
24 into a commodity, commodity contract or commodity option in the State of California involving
25 capital management agreements or any other agreements, accounts, or contracts for trading in foreign
26 currency or other commodities, by omitting to state a material fact necessary in order to make the
27 statements made, in light of the circumstances under which they were made, not misleading.

28 ///

1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the CCL.

3 Dated: October 15, 2007
4 Los Angeles, California

5 PRESTON DuFAUCHARD
6 California Corporations Commissioner

7 By _____
8 ALAN S. WEINGER
9 Lead Corporations Counsel
10 Enforcement Division

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28