

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: EURO RESOURCE GROUP,  
its partners, officers and directors, agents, employees,  
affiliates, successors and assigns.

FILE NO. 0200131

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: Euro Resource Group  
5950-H State Bridge Road, Suite 172  
Duluth, Georgia 30097

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Euro Resource Group, (hereinafter "Respondent"), maintains a business address at 5950-H State Bridge Road, Suite 172, Duluth, Georgia 30097.
2. That during February 2002, and January 2003 Respondent solicited at least one Illinois resident ("Resident") to invest in Euro Resoruce Group Indemnified Forex Contracts ("ERG Indemnified Forex Contracts").
3. That as part of that solicitation, Respondent caused to be sent to Resident a packet ("Investor Packet") including Investor Letter, Information Literature and an Account Application with wiring instructions for any funds to be wired to Respondent's bank.
4. That the Investor Packet defined ERG Indemnified Forex Contracts as giving the investor the right, but not the obligation to purchase or sell a specified amount of foreign currency on or before a certain date for a particular price. The Investor Packet also stated "our indemnified contracts are insured by Lloyds of London under blanket policy #A146226 against investor loss of more than 10% of their initial investment."
5. That the Investor Packet disclosed to investors that, "On each purchase there is a Premium fee which includes all buy and sell commissions, commonly referred to as a "round-turn" plus a small charge for the Buyer Indemnity Contract. Your

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Account Executive will inform you of the current rates and fees for each *Indemnified Forex Contract*.”

6. That the activities described in paragraphs 2 - 4 above constitute the offer of an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
8. That Respondent failed to file with the Secretary of State an application for registration of the securities described at paragraph 5 above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to being offered and sold in the State of Illinois.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. That by virtue of the foregoing, Respondent has violated Sections 12.A and 12.D of the Act.
12. That Section 8.A of the Act provides inter alia, that except as otherwise provided in this subsection A, every dealer shall be registered as such with the Secretary of State.
13. That the activities described in paragraphs 2-5 constitute the activities of a dealer as that term is defined in Section 2.7 of the Act.
14. That Respondent failed to file with the Secretary of State an application for registration as a dealer as required by Section 8 of the Act and as a result was not registered pursuant to Section 8 of the Act prior to acting as a dealer in the State of Illinois.
15. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the provisions of this Act for any person to act as a dealer, unless registered as such, where such registration is required, under the provisions of this Act.
16. That by virtue of the foregoing, Respondent violated Sections 12.A, 12.C and 12.D of the Act

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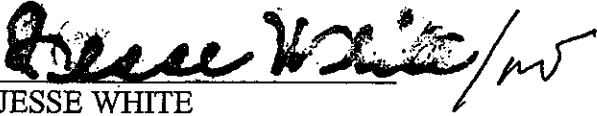
17. That the aforementioned findings are based upon credible evidence.
18. That Section 11.F (2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
19. That the entry of this Temporary Order prohibiting Respondent, or its agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Euro Reasearch Group, its officers and directors, agents, employees, affiliates, successors and assigns are prohibited from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 17 North State Street, Suite 1266, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 26<sup>th</sup> day of February 2004.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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