

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF
CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES OF THE
STATE OF OREGON**

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

In the Matter of:)	
)	No. A-00-0008
THE SHEFFIELD GROUP and M.D. RUTH)	FINAL ORDER TO CEASE AND DESIST AND ASSESSING CIVIL PENALTIES
)	
Respondents.)	
_____)	

On February 3, 2000 the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the "Director"), acting by and pursuant to the authority of Oregon Commodity Code, Chapter 645 of the Oregon Revised Statutes, and other applicable authority, issued Administrative Order No. A-00-0008 to CEASE AND DESIST AND ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT TO CONTESTED CASE HEARING (hereafter "the Order") against Respondents **THE SHEFFIELD GROUP and M.D. RUTH.**

On February 9, 2000 Respondents **THE SHEFFIELD GROUP and M.D. RUTH** were duly served with a true copy of the Order and Notice by United States Mail, postage prepaid, and addressed to Respondent **THE SHEFFIELD GROUP** and (by separate mailing) **M.D. RUTH** at the following last known address: 1920 Hallandale Blvd., Suite 901, Hallandale, Florida 33009.

On February 9, 2000 Respondents **THE SHEFFIELD GROUP and M.D. RUTH** were duly served with a true copy of the Order and Notice by certified United States Mail (Item #Z038197221 for **M.D. RUTH**, Item #Z038197221 for **THE SHEFFIELD GROUP**), postage prepaid, and addressed to the following last known address: 1920 Hallandale Blvd., Suite 901, Hallandale, Florida 33009.



1 Both certified mailings were returned to the Oregon Division of Finance
2 and Corporate Securities marked as "Not Deliverable, Unable To Forward."

3 Respondents **THE SHEFFIELD GROUP** and **M.D. RUTH** have not made
4 a written request for a contested case hearing in this matter and the time to do so
5 has expired.

6 **NOW THEREFORE**, after consideration of the Investigation Report and
7 accompanying exhibits submitted in this matter by David T. Weiss, Securities
8 Compliance Officer, the Director hereby issues the following Findings of Fact,
9 Conclusions of Law, and Final Order:

10
11 **FINDINGS OF FACT**

12 The Director **FINDS** that:

13
14 1. Respondent **THE SHEFFIELD GROUP** was, at all times material
15 herein, holding itself out to be a foreign currency trading firm. The Sheffield
16 Group's last known address is 1920 E. Hallandale Beach Boulevard #901,
17 Hallandale, Florida 33009.

18 2. Respondent **M.D. RUTH** (hereafter "Ruth") was, at all times
19 material herein, holding himself out to be an employee of The Sheffield Group
20 employed as a foreign currency broker. Ruth's last known address is 1920 E.
21 Hallandale Beach Boulevard #901, Hallandale, Florida 33009.

22 3. Seth Carlile (hereafter "Carlile"), an Oregon domiciliary, was a
23 customer of **THE SHEFFIELD GROUP** and **RUTH**.

24 4. **THE SHEFFIELD GROUP** is not registered with the State of
25 Oregon as a broker-dealer or, on information and belief, with the Commodities
26 Futures Trading Commission as a futures commission merchant.



1 5. **RUTH** is not registered with the State of Oregon as a broker-dealer
2 salesperson or, on information and belief, with the Commodities Futures Trading
3 Commission as a futures commission merchant.

4 6. Carlile viewed a television advertisement aired in Oregon for an
5 entity known as "The Sheffield Group" in October, 1998. The ad touted the
6 benefits of foreign currency trading.

7 7. Carlile contacted the firm's toll free number to obtain more
8 information, and was sent marketing materials. Follow up solicitation calls were
9 made to Carlile by **THE SHEFFIELD GROUP** through broker M.D. **RUTH**.

10 8. Carlile indicated his interest in investing in foreign currency option
11 contracts, and signed a Sheffield Group document entitled "Account Information
12 & Customer Profile."

13 9. Carlile invested in foreign currency option contracts (represented
14 to be puts or calls on Japanese yen or German Deutsche Mark) with **THE**
15 **SHEFFIELD GROUP** in the following separate transactions:

16

17	Nov 06 1998	\$09,750.00
18	Nov 10 1998	\$13,875.00
19	Nov 11 1998	\$01,825.00
20	Nov 12 1998	\$13,000.00
21	Nov 19 1998	\$06,800.00

22

23 10. Carlile wired all funds to a First Union National Bank account. After
24 each transaction, he received "Order Confirmations." These documents list a
25 Cayman Islands address (300 P.O. Box 822, Third Floor, Mary
26 Street/Georgetown, Grand Cayman) and are printed on "The Forex Market Ltd"

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387



1 letterhead.

2 11. In mid December, 1998 Carlile attempted to call **RUTH** to obtain
3 information on his investments. He received a recorded telephonic message
4 which stated that **THE SHEFFIELD GROUP** was "experiencing technical
5 difficulties." When Carlile tried to call the firm in early January, 1999 the phone
6 lines were disconnected. He has not been able to make any contact with **THE**
7 **SHEFFIELD GROUP** or **RUTH** since then.

8 **CONCLUSIONS OF LAW**

9
10 The Director **CONCLUDES** that:

11
12 1. The foreign currency option contracts offered and sold by
13 Respondents **THE SHEFFIELD GROUP** and **M.D. RUTH** are a "commodity
14 contract" under ORS 645.005 (3).

15 2. Respondents **THE SHEFFIELD GROUP** and **M.D. RUTH** offered
16 and sold commodity contracts in the State of Oregon in violation of ORS 645.010
17 on the following five occasions: November 6, 1998, November 10, 1998,
18 November 11, 1998, November 12, 1998, and November 19, 1998.

19
20 **FINAL ORDER**

21
22 Therefore, the Director **ORDERS**

23
24 1. That Respondents **THE SHEFFIELD GROUP** and **M.D. RUTH** shall
25 cease and desist from offering and/or selling commodity contracts to persons in
26 the State of Oregon in violation of ORS Chapter 645 or OAR Chapter



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

441.

2. That Respondents **THE SHEFFIELD GROUP** and **M.D. RUTH** shall cease and desist from offering and/or selling securities to persons in the State of Oregon in violation of ORS Chapter 59 or OAR Chapter 441.

3. That Respondent **THE SHEFFIELD GROUP** is ordered to pay the sum of Twenty Five Thousand Dollars (\$25,000.00) as a civil penalty for violations described herein.

4. That Respondent **M.D. RUTH** is ordered to pay the sum of Twenty Five Thousand Dollars (\$25,000.00) as a civil penalty for violations described herein.

IT IS SO ORDERED.

Dated this ____ day of _____, 2000 at Salem, Oregon.

**DEBORAH LINCOLN, ACTING DIRECTOR
DEPARTMENT OF CONSUMER & BUSINESS SERVICES
STATE OF OREGON**

APPROVED AS TO FORM:

Dated: _____

David T. Weiss
Securities Compliance Officer
Division of Finance and Corporate Securities
Department of Consumer and Business Services
State of Oregon

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387

