COPY

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

CARL BARONE
JOSEPH BENINATO
STEPHEN BIALON
JOSEPH BOSCIA
THOMAS J. BRADEN
MICHAEL J. BROWN
PAT CENICOLA
OSCAR K. CHAMBERS
JOSEPH A. CLAIR
EDWARD M. CROWLEY
RICHARD D'AMBOLA
BRUCE DEHAVEN
GARY FILLWEBER
MICHAEL FLEYZOR
KENNETH J. FRANCO
FRANK GUIDA
STEPHEN J. LARKIN
THOMAS McCABE
JACK MOLONEY
OSCAR OLSEN
MICHAEL PRENDERGAST
FRANK PEREZ
MICHAEL PETRULLA
JAMES P. PHILBIN
MANUEL PRIETO
JOHN SANTORO
JEFFREY SLOAN and
LOUIS SOTO

ADMINISTRATIVE COMPLAINT

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities by the Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq., and based upon Bureau Staff's investigation of the activities of the individuals and entities in

soliciting, offering and selling certain promissory notes, it appears that certain individuals have violated the Securities Law and, therefore, this Administrative Complaint is being filed and served: to apprise those individuals of the appearance of those violations; to afford them the opportunity to respond fully thereto, through counsel or on their own behalf; and to make a final determination as to whether violations have, in fact, occurred in which event it is anticipated that the sanctions provided for violations of the Securities Law, including civil monetary penalties and revocation of registration, will be imposed.

THE PROMISSORY NOTES

1. Beginning in 1997 and continuing into 2000, the individuals identified herein, from or within New Jersey, either (a) effected or (b) assisted in effecting or (c) induced others to effect or to assist in effecting, the sale of more than $11 million of promissory notes issued and guaranteed by the entities listed below:

Issuer	Guarantor
Alumalex, Inc.	New England Surety International, Inc.
American Capital Corporation	Star Insurance Co.
Ameritech Petroleum, Inc.	New England Surety International, Inc.
Azerbaijan Oil Fields	New England Surety International, Inc.
Caffe Diva Group Limited	New England Surety

	International, Inc.
Canko Environmental Technologies, Inc.	New England Surety International, Inc.
Capital Communities, Corp.	Tangent Insurance Company
Corlogic Corporation	New England Surety International, Inc.
LifeBlood Biomedical, Inc.	New England Surety International, Inc.
Laser Leasing	New England Surety International, Inc.
Millenium 2000, Inc.	Global Insurance Company, Ltd.
Pacific Air Transport	unknown
Redbank Petroleum, Inc.	New England Surety International, Inc.
Sebastian Int'l. Enterprises (dba Real Life 101)	New England Surety International, Inc.
South Mountain Resort & Spa, Inc.	New England Surety International, Inc.
Sun Broadcasting Systems, Inc.	Global Insurance
Taormina/Omne SRL	New England Surety International, Inc.
Technical Support Services, Inc.	New England Surety International, Inc.
Tee to Green	Tangent Insurance Company
US Ace Security	unknown
World Vision Entertainment, Inc.	Star Insurance Co.

2. The promissory notes became due and payable nine months from the date of issuance and bore interest, which was payable monthly, at above-market rates.

3. The promissory notes were not registered with the Bureau or exempt from registration.

4. Following a pattern akin to a "Ponzi" scheme, some of the issuers paid interest and principal as each became due on the first promissory notes issued. Ultimately, however, all of the issuers failed to pay at least some of the interest and all principal on the last promissory notes issued.

5. The guarantors failed to deliver on their guarantees, with the result that almost all the purchasers suffered significant losses.

6. The individuals identified herein, however, were fully compensated for their efforts in furtherance of the sale of the promissory notes, pursuant to the terms of their agreements with the issuers.

RESPONDENTS

7.A. Respondents registered with the Bureau of Securities

(A) Carl Barone (CRD# 1078295) was registered with the Bureau as an agent of Lincoln Investment Planning, Inc., a registered broker-dealer, and was affiliated with

Senior Financial Services, from February 20, 1991, through July 1, 1999. From 1998 through 1999 Barone sold 5 promissory notes totaling $448,569.97.

(B) Joseph Beninato (CRD# 2309007) was registered with the Bureau as an agent of TFS Securities Incorporated, a registered broker-dealer, from January, 1998, through June, 2000. From 1997 through 1998 Beninato sold 8 promissory notes totaling $215,000.00.

(C) Stephen Bialon (CRD # 1212221) was registered with the Bureau as an agent of National Investment Securities Corporation, a registered broker-dealer, from July, 1984, through May, 1999. From the period of March, 1998, he sold 3 promissory notes totaling $91,612.00.

(D) Thomas J. Braden (CRD# 2729803) was registered with the Bureau as an agent of Northwestern Mutual Investor Services, Robert W. Baird & Company a registered broker-dealer from March 18, 1996, through August 24, 2000. From the period

of September, 1998, through February, 2000, Braden sold 3 promissory notes totaling $247,000.

(E) Michael J. Brown (CRD# 1228489) was registered with the Bureau as an agent of New England Securities, a registered broker-dealer, from April, 1995, through July, 1997, and with NY Life Securities, Inc., a registered broker-dealer, from August, 1997, through May, 1999. From December, 1996, through 1998, Brown sold 12 promissory notes totaling $429,000.

(F) Pat Cenicola (CRD# 855316) was registered with the Bureau as an agent of Metlife Securities, Inc., a registered broker-dealer, from May, 1992, through July, 1998. From the period of 1997 through 1999, Cenicola sold 17 promissory notes totaling $765,595.27.

(G) Joseph A. Clair (CRD# 47218) was registered with the Bureau as an agent of Noyers Partners, Inc., from August, 1996, through December, 1998, and of Brookstreet Securities Corporation, from

January, 1999, through December, 2000; both are registered broker-dealers. From the period of November, 1997, through March, 1999, he sold 6 promissory notes totaling $40,000.

(H) Edward M. Crowly (CRD# 802611) is presently registered with the Bureau as an agent of a registered broker-dealer. In July, 1997 he was registered with Bannon & Whitney, Inc., a registered broker-dealer. In July, 1997, he sold 2 promissory notes totaling $50,000.

(I) Richard D'Ambola (CRD# 2816480) was registered with the Bureau as an agent of 1717 Capital Management from October, 1996 through February, 1998 and an agent of Princor Financial Services, from February, 1998 through March 1999; both are registered broker-dealers. From the period of April, 1998, through December, 1998, he sold 9 promissory notes totaling $322,000.00.

(J) Michael Fleyzor (CRD# 1928099) was registered with the Bureau as an agent of

Pruco Securities, a registered broker-dealer from February, 1989, through August, 1997, In June, 1997, he sold 1 promissory note totaling $20,000.

(K) Kennth J. Franco (CRD# 1726347) was registered with the Bureau as an agent of Metlife Securities, Inc., and Metropolitan Life Insurance Company from February, 1987, through October, 1997, both registered broker-dealers. During the summer of 1997 he sold 1 promissory note totaling $20,570.

(L) Stephen J. Larkin (CRD # 733109) was registered with the Bureau as an agent of Nathan & Lewis Securities, from April, 1994, through August, 1998, and been registered with Washington Square Securities, Inc., from September, 1998, through the present; both are registered broker-dealers. From 1997 though 1998, he sold 37 promissory notes totaling $743,251.

(M) Jack Moloney (CRD# 2190471) was registered with the Bureau as an agent of

H.D. Vest Investment Securities, Inc., From February, 1998, through October, 1998, and TFS Securities, Inc., from October, 1998, to the present; both are registered broker-dealers. From 1998 through July, 1999, he sold 19 promissory notes totaling $581,295.96.

(N) Michael Petrulla (CRD# 2126561) was registered with the Bureau as an agent of Copeland Equities, a registered broker-dealer, from April, 1996, through June, 1998. In February, 1998, he sold 2 promissory notes totaling $26,000.

(O) James P. Philbin (CRD# 721998) was registered with the Bureau as an agent of W.S. Griffith & Co, Inc. from October, 1996, through April, 1998, and as an agent of New England Securities from April, 1998, through July, 2000. They are both registered broker-dealers. From 1997 through February, 1999, he sold 18 promissory notes totaling $490,542,74.

(P) Jeffrey Sloan (CRD# 1845998) was registered with the Bureau as an agent of

Copeland Equities, Inc., from May, 1988 through March, 1999, and Sentra Securities Corp., from April, 1999 to the present. Both are registered broker-dealers. From 1999 through February, 2000, he sold 15 promissory notes totaling $554,164,93.

(Q) Louis Soto (CRD# 1984797) was registered with the Bureau as an agent of United Securities Alliance, Inc., from April, 1995 through March, 1996 and TFS Securities, Inc., from March, 1998, through July, 1999; both are registered broker-dealers. Soto recommended the promissory notes to various agents who would in return pay him a commission. He received commissions in excess of $8,000 from, among others, Larkin and Perez in connection with their sales of the unregistered securities.

7.B. Respondents not registered with the Bureau of Securities

(A) Joseph Boscia has never been registered with the Bureau in any capacity. From

1997 through 1998, he sold 10 promissory notes for a total of $105,000.

(B) Oscar K. Chambers has never been registered with the Bureau in any capacity. In March, 1998, he sold 1 promissory note totaling $43,356,17.

(C) Bruce DeHaven (CRD# 1009020) was not registered with the Bureau at the time the promissory notes were sold. From the period of July, 1999 through 2000 he sold 67 promissory notes totaling $2,393,143.00.

(D) Gary Fillweber (CRD# 1533686) has never been registered with the Bureau in any capacity. From the period of September, 1998, he sold 1 promissory note totaling $35,000.

(E) Frank Guida has never been registered with the Bureau in any capacity. From 1997 through January, 1999, he sold 18 promissory notes $416,012,45.

(F) Thomas McCabe (CRD# 1312265) has never been registered with the Bureau in any capacity. He has received a commission

for the sale of 1 promissory note sold by Thomas J. Braden.

(G) Oscar Olsen has never been registered with the Bureau in any capacity. In April, 1999, he sold 2 promissory notes totaling $138,000.

(H) Frank Perez (CRD# 1208117) and Manuel Prieto have never been registered with the Bureau in any capacity. From October, 1997, through 1999, they sold 19 promissory notes totaling $342,478.74.

(I) Michael Prendergast, from 1999 through March, 2000, sold 21 promissory notes totaling $696,323.63. He was not registered with the Bureau at the time the promissory notes were sold.

(J) John Santoro has never been registered with the Bureau in any capacity. From 1996 through 1998 he sold 13 promissory notes totaling $1,448,609.

8. At all pertinent times, the individuals described in paragraph seven A (7A) and seven B (7B), were registered with the New Jersey Department of Insurance and licensed to sell insurance products, with the exception of Boscia and Prieto.

9. Respondents who were registered with the Bureau, identified in paragraph seven A (7A), did not, however, effect the sale of the promissory notes through their broker-dealers nor did they apprise the broker-dealers of their effecting the sale of promissory notes.

OMISSION, INSUFFICIENCY AND MISSTATEMENT OF MATERIAL INFORMATION

10. In effecting or assisting in effecting the sale of the promissory notes, Respondents did not disclose, did not sufficiently disclose or otherwise materially misstated, among other things, one or more of the following items of material information:

(a) the intended uses of the proceeds of the promissory notes;

(b) the nature and extent of any risks associated with those uses;

(c) the financial statements of the issuers of the promissory notes;

(d) the history, financial condition, access to capital, operating results and outlook for the businesses the issuers engaged in;

(e) the ability of the issuers to pay interest and to repay the principal at maturity;

(f) the fact that the notes were securities;

(g) the fact that the notes were guaranteed; and

(h) the ability of the guarantors to pay interest or repay principal in the event the issuers were to default.

11. Respondents also used written materials in effecting or assisting in effecting the sale of the promissory notes. The written materials indicated that, because of the 9-month duration of the promissory notes, they were not subject to regulation as securities by the states, the federal government or any self-regulatory organization in the securities industry.

12. The written materials also did not disclose, did not sufficiently disclose or otherwise materially misstated, among other things, the information listed in paragraph ten. That information was material to an investor's decision to accept or reject an offer to sell the promissory notes.

AGENTS BARRED OR SUSPENDED BY THE NASD

13. Certain Respondents were associates of members of the National Association of Securities Dealers ("the NASD") and have consented: (a) to the NASD's finding that they violated certain NASD Conduct Rules; and (b) to the NASD's imposing certain sanctions on them.

14. These Respondents, the findings made and the sanctions imposed are:

Michael J. Brown consented on March 29, 2001:

(a) to the finding that he failed to provide the member with which he was associated, prior written notice of 12 sales of promissory notes to 10 investors, aggregating approximately $429,000, in which Brown participated and for which participation he received commissions; and

(b) to the imposition of a bar in all capacities.

Richard D'Ambola consented on February 2, 2001:

(a) to the finding that he failed to provide the member with which he was associated, prior written notice of 8 sales of promissory notes to 7 investors, aggregating approximately $282,000, in which D'Ambola participated and for which participation he received compensation; and

(b) to the imposition of, among other things, a suspension in any capacity of 6 months.

Thomas J. Braden consented on October 29, 2001:

(a) to the finding that during the period from on or about September 21, 1998 to in or about January 1, 1999, he engaged in private securities transactions without prior written notice to or approval from his employer firm, NMIS, in that he sold to customers promissory notes, which were securities, issued by Canko Environmental Technologies, Inc., and Taormina/Omne SRL.

(b) to the imposition, at a maximum, of: a suspension of 15 months from association with any NASD member in any capacity; a fine of $5,000; and an order to disgorge commissions in partial restitution to customers in the amount of $8,250.

Stephen J. Larkin consented on January 23, 2002:

(a) to the finding that during the period from in or about October 1997 through in or about August 1998, he engaged in private securities transactions without prior written notice to or approval from his employer firm, Nathan Lewis, in that he sold to customers promissory notes, which were securities, issued by Ameritech Petroleum, Inc., Canko Environmental Technologies, Inc., and LifeBlood Biomedical, Inc.

(b) to the imposition, at a maximum, of: a suspension of 2 years from association with any NASD member in any capacity; a fine of $25,000; and an order to disgorge commissions in partial restitution to customers in the amount of $52,250.

FIRST COUNT

Offering and Selling Unregistered Securities in Violation of §60

(1) The promissory notes were securities as defined in N.J.S.A. 49:3-49(m) of the Securities Law.

(2) The promissory notes were not registered with the Bureau or exempt from registration

(3) Thus, Respondents directly or indirectly solicited the purchase of, offered for sale or sold securities, from or within New Jersey, which were not registered with the Bureau or exempt from registration, in violation of §60 of the Securities Law.

(4) Each solicitation of the purchase of, each offer to sell and each sale of the promissory notes constituted a separate violation of §60 of the Securities Law.

SECOND COUNT

Acting as Agents without Registration in Violation of N.J.S.A. 49:3-56(a)

(1) The Respondents identified in paragraph 7B. effected or assisted in effecting the sale of the promissory notes and, thus, acted as agents, as defined in §49(b) of the Securities Law, without being registered.

(2) Those Respondents, therefore, violated §56(a) of the Securities Law which requires, among other things, that only individuals registered with the Bureau act as agents.

(3) Each time an unregistered Respondent so acted constituted a separate violation of §56(a).

THIRD COUNT

Failing to Act Through Their Broker-Dealers in Violation of §56

(1) Respondents who were registered with the Bureau, identified in paragraph 7A., did not solicit the purchase of, offer to sell or sell the promissory notes through the broker-dealer with whom they were registered as agents in New Jersey.

(2) These Respondents, therefore, violated §56 of the Securities Law which requires, among other things, that individuals registered with the Bureau as agents act through the broker-dealers with whom they are associated.

(3) Each time a Respondent so acted constituted a separate violation of §56.

FOURTH COUNT

Omitting Facts Necessary to Make Statements Not Misleading in Violation of §52(b)

(1) The information regarding (a) the issuers' and the guarantors' general financial history, resources, condition and prospects, (b) the rates of return available on alternative securities, and (c) the unregistered status of the promissory notes, as detailed in paragraph ten, which was not disclosed to prospective purchasers either in the written materials used by Respondents or otherwise, was material to any decision to invest in

the promissory notes.

(2) The omission of such information rendered the representations Respondents actually made misleading in light of the issuers' ability to realize the promised returns and to repay the promissory notes and in light of the guarantors' ability to repay in the event of default

(3) Also, the omission of such information rendered the representations Respondents actually made misleading in light of the fact that Respondents marketed the promissory notes in violation of the requirements (a) that the securities be registered with the Bureau and (b) that the transactions be carried out through Respondents' broker-dealer.

(4) Each omission of material information rendering the statements made misleading is a separate violation of §52(b).

FIFTH COUNT

Being Subject to an Order of a Self-Regulatory Organization as provided in N.J.S.A. 49:3-58(a)(2)(vi)

(1) The National Association of Securities Dealers ("NASD") is a self-regulatory organization within the meaning of §58(a)(2)(vi).

(2) Brown, D'Ambola, Braden and Larkin are the subjects of NASD orders entered less than two years from the date this proceeding was instituted, suspending or expelling them from association with an NASD member.

(3) Thus, pursuant to §58(a)(2)(vi), the Bureau

Chief may, and by this administrative complaint does, seek to suspend or revoke the registrations of Brown, D'Ambola, Larkin and Braden in addition to any other grounds suggested herein for such suspension or revocation.

DEMAND FOR RELIEF

WHEREFORE, the Bureau Chief proposes to enter an order:

A. finding that the individuals identified have engaged in the acts and practices described in this complaint;

B. concluding that such acts and practices constitute violations of the Securities Law;

C. finding that imposition of the sanctions provided in the Securities Law is in the public interest, for the protection of investors and consistent with the policy and purposes of the Securities Law;

D. finding that it is in the public interest to order and ordering the Defendants to cease and desist from issuing, selling, offering for sale, purchasing, offering to purchase, promoting, negotiating, advertising or distributing any securities from or within this State in violation of the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq.;

E. finding that it is in the public interest to order

and ordering the assessment of civil monetary penalties against the defendants pursuant to N.J.S.A. 49:3-70.1; and

F. granting any additional relief necessary or proper to prevent further violations and to accomplish the purposes of the Securities Law.

NOTICES

Please be aware that attached are two notices consisting of two pages which are an integral part of this complaint.

By: Franklin L. Widmann
Franklin L. Widmann, Chief
New Jersey Bureau of Securities

Date: December 16, 2002

NOTICES ATTACHED TO AND MADE PART OF ADMINISTRATIVE COMPLAINT

NOTICE OF HEARING

Pursuant to the Securities Law, this matter will be set down for a hearing with respect to the allegations concerning any respondent if a written request for such a hearing is filed with the Bureau within fifteen (15) days after such respondent receives this complaint which will be deemed received upon completion of service by United States Postal Service first class mail.

A request for a hearing must be accompanied by a written response which addresses specifically each of the allegations set forth in this complaint which forms a basis for the order the Bureau Chief proposes to enter. A general denial will be treated as though no hearing had been requested.

At any hearing regarding this matter, an individual respondent may appear on his or her own behalf or be represented by an attorney. A corporation must be represented by an attorney unless a non-attorney may represent the corporation in accordance with R. 1:21-1(e) and N.J.A.C. 1:1-5.4.

If any person named as a Respondent in the complaint fails to respond by either filing a written answer and written request for a hearing with the Bureau within the fifteen (15) day prescribed period, that person shall have waived the opportunity to be heard and a final order may be entered by the Bureau Chief, which will be effective when entered. If a hearing is requested, the Bureau Chief may enter a final order in accordance with the

findings made at the hearing, which order will be effective when entered.

NOTICE OF OTHER ENFORCEMENT REMEDIES

Respondents are advised that the Securities Law provides several enforcement remedies which the Bureau Chief may employ either alone or in combination. These remedies include, in addition to the remedies proposed in this complaint, the right to injunctive and ancillary relief in a civil enforcement action pursuant to §69 of the Securities Law.

Respondents are further advised that the entry of a final order granting some or all of the remedies of the order the Bureau Chief proposes to enter, does not preclude the Bureau Chief's seeking other enforcement remedies against some or all respondents, as the Bureau Chief may determine, in connection with the claims made against them in this complaint.