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

IN THE MATTER OF:

John Abresch

CRD # 2280271

SUMMARY
REVOCATION ORDER

John Abresch
6261 NW 125th Avenue
Coral Springs, FL 33076

Discovery Capital Group, Inc.
2768 North University Drive
Coral Springs, FL 33065

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq., ("Law"), more particularly, N.J.S.A. 49:3-58, and after careful review and due consideration of:

(1) Final Judgment of Permanent Injunction and Other Relief Filed Against Defendant John Abresch, filed by the Honorable Paul Huck on October 24, 2002 in the United States District Court for the Southern District of Florida, in the Securities Exchange Commission v. Discovery Capital Group, Inc., Erik Walsh, and John Abresch [Case No. 02-60363-CIV-Huck];

(2) NASD letter of revocation of registration pursuant to NASD Procedural Rule 9522(a)(2) & (3) (November 8, 2002);

(3) Order to Deny Application, In the Matter of the License of John P. Abresch, Before the Division of Securities of the Department of Commerce of the State of Utah (August 3, 2001);

(4) Order for Entry of Default Against John Abresch, In The Matter of John Abresch and Discovery Capital Group, Inc., Docket No. E-2002-38, Before the Commonwealth of Massachusetts Office of the Secretary of the Commonwealth Securities Division ("Division") (June 20, 2002);

(5) Order Revoking Registration as Agent, In the Matter of John Patrick Abresch, Before the Division of Banking Securities and Business Investments Division of the Department of Banking of the State of Connecticut (March 4, 2003); the Bureau Chief has determined that the agent registration of John Abresch shall be **REVOKED** for the reasons that follow:

1. John Abresch ("Abresch") is an individual and former employee of Discovery Capital Group ("DCG") with a last known residential address of 6261 NW 125th Avenue, Coral Springs, Florida 33065. He had been registered with the Bureau as a broker-dealer agent between the period beginning January 25, 1993 and August 31, 1998 with Biltmore Securities, Inc. (CRD # 25023). Abresch was then registered with the Bureau as an agent for FAS Wealth Management Services, Inc. (CRD # 10164) from August 31, 1998 until June 6, 2001. Lastly, Abresch was registered as an agent with DCG (CRD # 29355) from September 21, 2001 and ending November 19, 2002.

2. On March 14, 2002, the United States Securities and Exchange Commission filed an emergency federal civil action against DCG, a broker-dealer registered with the NASD since 1992, Erik Walsh ("Walsh"), DCG's CEO, and Abresch, DCG's VP and director of institutional sales, alleging that since June 2001 DCG had raised at least $2.7 million from investors through the sale of securities in the form of notes and preferred stock. Using high pressure, "boiler-room" tactics, sales agents of DCG falsely told prospective investors that they were affiliated with the well-known brokerage firm E.F. Hutton, had partnered with major banks, or were going

public via an Initial Public Offering. The reality of DCG was that they raised investor funds for the benefit of its principals and sales agents, including over $500,000 to Abresch. The E.F. Hutton affiliation evolved from a company that Walsh set up called E.F. Hutton & Co., Inc. that had no ties to the now defunct E.F. Hutton. In addition, DCG, Abresch, and Walsh failed to record at least $1.3 million worth of loans, in violation of securities laws and placing customers at risk. This Temporary Restraining Order was entered by the United States Court for the Southern District of Florida on March 15, 2002.

3. On October 24, 2002, the Honorable Paul Huck ("Huck"), for the United States District Court for the Southern District of Florida, entered Final Judgment of Permanent Injunction and Other Relief. This order permanently restrained and enjoined defendant Abresch from violations under Sections 17(a)(1),17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5, thereunder, and the order provided for disgorgement and prejudgment interest thereon, and imposition of a civil money penalty against Abresch pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act.

4. On April 5, 2002, the NASD notified DCG that Abresch was subject to statutory disqualification as a result of the Temporary Restraining Order filed by the SEC and entered by the United States Court for the Southern District of Florida on March 15, 2002. DCG never responded to the letter from the NASD. Accordingly, pursuant to NASD Procedural Rule 9522(a)(2) and (3), on November 8, 2002, the NASD notified DCG and Abresch that Abresch's registration was revoked.

5. On August 3, 2001, the Director of the Division of Securities of the Department of Commerce of the State of Utah filed an order denying Abresch's application to be licensed as a broker-dealer agent. The denial of Abresch's application was based on the finding of the

Director that Abresch "engaged in dishonest or unethical practices in the securities business."

6. On June 20, 2002, the Director of the Securities Division for the Commonwealth of Massachusetts denied Abresch's application for registration as a broker-dealer agent of DCG, and permanently barred Abresch from becoming licensed in Massachusetts. The denial and bar of Abresch were based on a number of factors. Namely, his failure to provide the Division with requested documentation; his making of a false and misleading statement to the Division; his failure to respond to and honor a subpoena by the Division; his history of customer complaints evidencing a pattern of unethical and dishonest conduct; and the restraining order issued in the SEC action.

7. On March 4, 2003, the Commissioner of Banking for the State of Connecticut filed an Order against Abresch revoking his registration as an agent. Such revocation was based on Abresch being permanently enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving an aspect of the securities business.

ABRESCH IS PERMANENTLY ENJOINED BY A COURT OF COMPETENT JURISDICTION FROM ENGAGING IN OR CONTINUING ANY CONDUCT OR PRACTICE IN THE SECURITIES BUSINESS
N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(iv)

8. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

9. Pursuant to N.J.S.A. 49:3-58(a):

> [t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(iv) is permanently...enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities...business.

10. The Emergency Order and Permanent Injunction, as more fully set forth in paragraphs 2 and 3, inclusive, constitute a basis for the revocation of Abresch's registration as an agent pursuant to N.J.S.A. 49:3-58(a)(2)(iv), in that they permanently enjoined Abresch from engaging in or continuing any conduct or practice involving any aspect of the securities business.

11. Based upon the foregoing, the revocation of Abresch's registration as an agent is in the public interest and necessary for the protection of investors.

ABRESCH IS THE SUBJECT OF AN ORDER ENTERED WITHIN THE PAST TWO YEARS BY A SELF-REGULATORY ORGANIZATION DENYING OR REVOKING A SECURITIES LICENSE OR REGISTRATION
N.J.S.A. 49:3-58(a)(2)(vi)

12. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

13. On November 8, 2002, the NASD notified DCG and Abresch that the registration of Abresch was revoked, pursuant to NASD Procedural Rule 9522(a)(3). This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Abresch's registration.

14. N.J.S.A. 49:3-58(a)(2)(vi) authorizes the Bureau Chief to deny, suspend, or revoke any registration if he finds that the applicant is the subject of an order entered within the past two years by any self-regulatory organization revoking a securities registration if the denial is based on facts which would currently constitute grounds for an order under New Jersey law N.J.S.A. 49:3-58(a)(2)(vi) to revoke Abresch's registration.

ABRESCH IS THE SUBJECT OF THREE ORDERS ENTERED WITHIN THE PAST TWO YEARS BY A STATE SECURITIES ADMINISTRATOR DENYING OR REVOKING HIS AGENT REGISTRATION
N.J.S.A. 49:3-58(a)(2)(vi)

15. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

16. By order dated August 3, 2001, the Division of Securities of the Department of Commerce of the State of Utah denied Abresch's application as a broker-dealer agent. This order was based on the finding of the Director that Abresch "engaged in dishonest or unethical practices in the securities business."

17. By order dated June 20, 2002, the Massachusetts Securities Division denied Abresch's broker-dealer agent registration and permanently barred him from becoming licensed in the Commonwealth of Massachusetts. This order was based on Abresch's failure to provide the Division with requested documentation; his making of a false and misleading statement to the Division; his failure to respond to and honor a subpoena by the Division; his history of customer complaints evidencing a pattern of unethical and dishonest conduct; and the restraining order issued in the SEC action.

18. By order dated March 4, 2003 the Commissioner of Banking for the State of Connecticut revoked Abresch's agent registration based on Abresch being permanently enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving an aspect of the securities business.

19. Pursuant to N.J.S.A. 49:3-58(a)(2)(vi), the Bureau Chief is authorized to deny, suspend, or revoke any registration if he finds that the applicant is the subject of an order entered within the past two years by any state securities administrator denying a securities registration if the denial is based on facts which would currently constitute grounds for an order under New Jersey law.

ABRESCH HAS ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS
N.J.S.A. 49:3-58(a)(2)(vii)

20. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

21. The foregoing conduct by Abresch constitutes dishonest or unethical practices in the securities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), and it is in the public interest and necessary for the protection of investors, pursuant to N.J.S.A. 49:3-58(a)(1), to revoke Abresch's registration as a registered representative for DCG.

CONCLUSION

For the reasons stated above, it is on this 17th DAY of July 2003 **ORDERED** that the agent registration of John Abresch with Discovery Capital Group, Inc. be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(iv)(vi) and (vii).

Franklin L. Widmann

Franklin L. Widmann
Chief, Bureau of Securities

DATED: July 17, 2003

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the bureau chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing

must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.