

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
AMERICAN OPTION SERVICE ("AOS") ) ADMINISTRATIVE ORDER  
SHANE R WACHTEL ) NO.CD-2004-00 11  
 )  
 )  
RESPONDENTS )

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offer and sale of securities into, within, or from the State of Alabama, has determined as follows:

RESPONDENTS

1. AMERICAN OPTION SERVICE ("AOS") is represented to be an Illinois corporation, with a business address of 311 S. Wacker Drive, Suite 1525, Chicago, IL 60606.
2. SHANE RYAN WACHTEL ("WACHTEL") is represented to be the Financial and Operations Principal and owner of AOS, with a business address of 311 S. Wacker Drive, Suite 1525, Chicago, IL 60606. At all times relevant to violations set forth herein, WACHTEL acted as an unregistered securities agent of AOS.

## STATEMENT OF FACTS

3. The Commission is in receipt of information that AOS and WACHTEL engaged in the offer and/or sale of securities to Alabama residents by providing services as a broker/dealer to Alabama residents prior to a September 23, 2003, application filing. A review of the files of the Commission disclosed no record of registration or exemption from registration, of AOS or its representatives. Further review of the files of the Commission disclosed no record of registration of AOS or WACHTEL as a securities agent/dealer in the state of Alabama.

4. Further investigation indicates that AOS was conducting trades with nine (9) Alabama residents between the dates of March 27, 2002, and May 21, 2003, nineteen months prior to AOS applying for registration in Alabama. A review of records obtained from Fiserv Securities, Inc., AOS' clearing firm, revealed approximately 593 trades made in Alabama prior to AOS applying for registration. This is in contrast to a letter received from WACHTEL on October 30, 2003, in which he states that AOS had not transacted business as a broker/dealer in the state of Alabama.

## CONCLUSIONS OF LAW

5. AOS and WACHTEL were not registered as a securities dealer/agent nor investment advisor/investment advisor representatives in the State of Alabama prior to conducting investment actives for the nine (9) Alabama residents. Transacting business in the State of Alabama as a securities dealer/agent while not registered is a violation of § 8-6-3(a), Code of Alabama, 1975.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that, AOS and WACHTEL, CEASE AND DESIST from further offers or sales of any securities into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this 13<sup>th</sup> day of May, 2004



ALABAMA SECURITIES COMMISSION  
770 Washington Street, Suite 570  
Montgomery, Alabama 36130-4700  
BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and somewhat cursive.

JOSEPH P. BORG  
Director

NDW/ndw